

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

LONDON, MONDAY, OCTOBER 4, 1982

The University		Jordan
Aman	Dam	Amman
Algeria	1.50 D.L.	1.50 D.L.
Angola	1.50 D.L.	1.50 D.L.
Bahrain	400 Fr.	400 Fr.
Bangladesh	100 L.	100 L.
Barbados	100 L.	100 L.
Bolivia	100 L.	100 L.
Burkina Faso	100 L.	100 L.
Burma	100 L.	100 L.
Burundi	100 L.	100 L.
Cambodia	100 L.	100 L.
Cameroon	100 L.	100 L.
Central African Republic	100 L.	100 L.
Chad	100 L.	100 L.
Chile	100 L.	100 L.
China	100 L.	100 L.
Colombia	100 L.	100 L.
Costa Rica	100 L.	100 L.
Croatia	100 L.	100 L.
Cuba	100 L.	100 L.
Cyprus	100 L.	100 L.
Côte d'Ivoire	100 L.	100 L.
Djibouti	100 L.	100 L.
Ecuador	100 L.	100 L.
Egypt	100 L.	100 L.
El Salvador	100 L.	100 L.
Equatorial Guinea	100 L.	100 L.
Eritrea	100 L.	100 L.
Eswatini	100 L.	100 L.
Estonia	100 L.	100 L.
Finland	100 L.	100 L.
France	100 L.	100 L.
Germany	100 L.	100 L.
Greece	100 L.	100 L.
Guinea	100 L.	100 L.
Honduras	100 L.	100 L.
Iceland	100 L.	100 L.
India	100 L.	100 L.
Indonesia	100 L.	100 L.
Iran	100 L.	100 L.
Iraq	100 L.	100 L.
Ireland	100 L.	100 L.
Italy	100 L.	100 L.
Japan	100 L.	100 L.
Jordan	100 L.	100 L.
Kazakhstan	100 L.	100 L.
Kenya	100 L.	100 L.
Khazakstan	100 L.	100 L.
Lebanon	100 L.	100 L.
Liberia	100 L.	100 L.
Lithuania	100 L.	100 L.
Lithuania	100 L.	100 L.
Malta	100 L.	100 L.
Mali	100 L.	100 L.
Mauritania	100 L.	100 L.
Mauritius	100 L.	100 L.
Mexico	100 L.	100 L.
Moldova	100 L.	100 L.
Mongolia	100 L.	100 L.
Morocco	100 L.	100 L.
Niger	100 L.	100 L.
Nigeria	100 L.	100 L.
Oman	100 L.	100 L.
Pakistan	100 L.	100 L.
Palestine	100 L.	100 L.
Panama	100 L.	100 L.
Peru	100 L.	100 L.
Philippines	100 L.	100 L.
Romania	100 L.	100 L.
Russia	100 L.	100 L.
Saint Lucia	100 L.	100 L.
Saint Vincent	100 L.	100 L.
Saudi Arabia	100 L.	100 L.
Singapore	100 L.	100 L.
Slovenia	100 L.	100 L.
Sri Lanka	100 L.	100 L.
Taiwan	100 L.	100 L.
Tajikistan	100 L.	100 L.
Togo	100 L.	100 L.
Tunisia	100 L.	100 L.
Ukraine	100 L.	100 L.
Uzbekistan	100 L.	100 L.
Vietnam	100 L.	100 L.
Yemen	100 L.	100 L.

ESTABLISHED

## Criticism of Sharon By Israeli Officers Reportedly Bitter

By Edward Walsh

Washington Post Service

JERUSALEM — The Israeli press freed from the restrictions of military censorship by the publication in a Sunday Times of London of a reported report in the military against Defense Minister Ariel Sharon, was filled Sunday with accounts of harsh criticism of Mr. Sharon across the top echelon of the army.

According to these accounts, at two separate meetings held within the last 10 days ranking military officers have complained bitterly about Mr. Sharon's direction of the war in Lebanon and accused him of trying to blame the army for the massacre of Palestinian refugees at the Chatila and Sabra refugee camps in West Beirut.

These accounts said the unhappiness with Mr. Sharon has not broken into full-scale rebellion and a mass demand by the officer corps for his resignation; but they did produce some unusually blunt criticism of Mr. Sharon's performance from his subordinates.

The first meeting took place Sept. 24 and was called by the army chief of staff, Rafael Eitan, to review the war in Lebanon. But the meeting, which Mr. Sharon did not attend, quickly broke down

into a series of complaints against the defense minister by the senior officers, who said they feared Mr. Sharon and the government of Prime Minister Menachem Begin would try to blame the military for any Israeli failures in connection with the Beirut massacre.

On the same day, according to Israel radio, Mr. Sharon met in Mr. Begin's office with the commander of an elite combat unit who told him he should resign.

**Sharon Hears Complaints**

At the time of the first meeting, the Begin government had still not agreed to a full-scale state judicial board of inquiry investigation into the Beirut massacre. It did so last Tuesday, and that night Mr. Sharon called a meeting of a smaller group of officers of the rank of brigadier general and above at the army's staff college outside Tel Aviv to hear their complaints.

Many of the same complaints and fears were raised at the second meeting, although the tone was less antagonistic than the week before, according to the Israeli press accounts.

Israeli military correspondents have hinted at a widespread unrest in the military in recent days, but they were prevented by censorship from reporting the details of the two meetings that most exemplified it.

The unrest in the military appears to pose the most serious threat to Mr. Sharon, but it is not the only sign of isolation besetting the defense minister since the massacre. In a television interview last Friday, Deputy Prime Minister Simcha Ehrlich clearly tried to distance himself from Mr. Sharon by saying that he is more and more convinced that a defense minister need not come from the senior ranks of the military.

A defense minister with a military background, Mr. Ehrlich said, "seeks to take command of actual military operations and disrupts the system of coordination between civilian and military authorities."

Mr. Ehrlich is the leader of the Israeli Liberal Party, which is second in size only to Mr. Begin's Herut Party in the ruling Likud coalition. He thus joined the leaders of the National Religious Party, another coalition partner, in ex-

(Continued on Page 2, Col. 3)

## Ethiopia Accused Of a Massacre

By Martin Tolchin

New York Times Service

MOGADISHU, Somalia — Western Somali fighters accused Ethiopian troops Sunday of massacring 500 civilians in the Ogaden region that straddles the borders between the two countries.

The Western Somali Liberation Front, which seeks to end Ethiopia's rule over the Ogaden and its ethnic Somali inhabitants, said the massacre took place last month in the villages of Segag, Wadhel and Gardor.

Somalia and Ethiopia, both claim the region, and President Mohammed Siad Barre of Somalia declared a state of emergency in August there after accusing Ethiopia of invading Somali territory in the Ogaden. The two countries fought a war over the Ogaden in 1977 and 1978, which Ethiopia won with the help of Cuban reinforcements and Soviet arms.

(Continued on Page 2, Col. 3)



Defense Minister Ariel Sharon of Israel



An Israeli military policeman stands guard near the southern edge of Beirut's international airport as a civilian airliner left the runway over the heads of U.S. Marine peacekeepers.

## Lebanese Arresting Hundreds of Palestinians In Apparent Effort to Drive Out 90% of Them

By David B. Ottaway

Washington Post Service

BEIRUT — The Lebanese Army has been rounding up hundreds of Palestinians, spreading new terror in the camps where the massacres took place last month, in what appears to be a government effort to reduce the number of Palestinians in any of the destroyed camps.

Number Arrested Uncertain

The exact number of Palestinians arrested is difficult to determine because some have been released after a check of identity papers while others have been expelled from the country or taken to the Israeli detention center in southern Lebanon at Ansar. Furthermore, it is not just Palestinians who are being picked up, but all foreigners.

The respected newspaper An Nahar quoted an army spokesman as saying 578 "illegal aliens" had been arrested in a raid on Borge Barak camp. But many others

have been detained who do not fit into that category.

One Western diplomatic source said he thought that about 1,000 Palestinians and other foreigners had been detained.

On Wednesday, Saeb Salam, a former prime minister of Lebanon, met with President Amin Gemayel to express his concern on behalf of West Beirut's Moslem leaders about reports of 1,500 "missing persons."

An army spokesman, Major Aref Turbay, said the roundup was part of the army's re-establishment of its authority in the capital.

"It's normal in this kind of situation," he said, that some incidents occur. But he insisted the army had entered the Palestinian camps to "protect the people" and said those being held would be treated according to the Lebanese law.

The wave of arrests, which began

before the arrival of the international peacekeeping force and is continuing, has placed the French and Italians stanched in the three camps in a difficult position.

Part of the force's mandate is to provide security in the camps. On the other hand, one Italian diplomatic source noted, they are also here to help restore the authority of the Lebanese Army.

A Western diplomatic source said some detained people were seen being taken in trucks to the town of Sofar, on the highway to Damascus, and dumped there. Sofar is where the Syrian line of control in eastern Lebanon begins.

The roundup of Palestinians is also taking place in camps around Sidon, the main city in southern Lebanon still under Israeli occupation. There, it is the Israelis rather than the Lebanese Army making most of the arrests.

The government already has issued to the local press a plan, still under discussion, that would reduce the number of Palestinians allowed to live here from the presently estimated 500,000 to 50,000 during the next few years.

## Mubarak Says Israel 'Beating War Drums'

By William E. Schmidt

New York Times Service

CAIRO — President Hosni Mubarak said Sunday that the government of Prime Minister Menachem Begin of Israel was "once again beating the drums of war" in the Middle East, a policy that he said "will lead to bring consequences from which Israel will not be spared."

Mr. Mubarak, in a nationally televised address marking the opening session of Parliament, recalled the October 1973 war between Egypt and Israel, when Egyptian troops stormed Israeli lines on the east side of the Suez Canal. It was the last armed conflict between the two countries.

"Since then, we have been hoping that the calculations of Israel would change," Mr. Mubarak said. "But they still find themselves locked in a framework of war and hostility."

Reagan Plan Praised

We said, "The flame of peace we are not managed to kindle in their hearts with the same enthusiasm we do for peace, brotherhood and good neighborliness."

At the same time, the Egyptian leader singled out for praise those citizens who publicly condemned the massacres last month

in Lebanon in two Beirut refugee camps.

Despite his sharpened criticism of Israel, Mr. Mubarak insisted that Egypt was still committed to peace in the region, and he praised President Ronald Reagan's Middle East peace initiative as a "basis for dialogue among all the parties in the region."

Ever since Israeli troops invaded Lebanon on June 6, Egypt has insisted repeatedly on their immediate withdrawal. As a result, relations between Jerusalem and Cairo, the Arab capital to maintain diplomatic ties with Israel, have become increasingly strained and are now at their lowest point since the two nations signed a peace treaty in March 1979.

Two weeks ago, following the discovery of the massacre in Beirut, Egypt recalled its ambassador to Israel. Last week, Israel's former ambassador to Egypt, Eliezer Ben-Eliyahu, warned Cairo that it was "walking a very thin line with its current policy toward Jerusalem."

Cairo newspapers reported Sunday that the Egyptian Foreign Ministry is undertaking a detailed review of Egyptian-Israeli relations in the light of the Israeli invasion of Lebanon and the massacres

Finding a job is the first step.

Then the author wrote:

"...and the rest is history."

The EDF, since 1946, has an

estimated 100,000 members.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

The EDF is the largest military force in France.

## Iamir Backs U.S.-Negotiated Withdrawal From Lebanon

Bernard Gwertzman  
New York Times Service

TED NATIONS, New York foreign Minister Yitzhak Rabin of Israel says that he expects all Israeli, Syrian and Palestinian forces to be withdrawn from by the end of the year a timetable to be negotiated United States.

In interview here Friday, Mr. Rabin said "there is an American plan for simultaneous withdrawal" that would be worked out with Philip C. Habib and Draper, special envoy of Reagan administration. "It's a able principle," Mr. Shamir adding that he agreed with ability's "assessment" that the withdrawal could be done "by the year."

to the future security of Israel's borders, Mr. Shamir said Israel believed the status of foreign troops in southern Lebanon was unnecessary, in opposing the continuation of 100-member UN force, or the

entry of another international peacekeeping unit.

"We think the best way for the solution of this problem will be common arrangements of the Lebanese and Israeli governments," he said. "It is in the interests of both governments to have this region free from any foreign undesirable forces, and therefore they will make all the possible efforts to achieve this goal."

**More Meetings Planned**

Mr. Shamir spoke to the General Assembly on Thursday and is to spend this week in New York meeting with various American Jewish groups and foreign diplomats. He is to travel to Chicago and Los Angeles before going to Washington on Oct. 14 to meet with Secretary of State George P. Shultz and other officials.

In the interview, he seemed to want to avoid any polemics with the administration, although he did not deviate in substance from his government's opposition to the points made by President Ronald

Reagan in his Middle East peace initiative on Sept. 1.

For instance, he did not endorse the view expressed by Prime Minister Menachem Begin and Defense Minister Ariel Sharon of Israel that the Reagan administration was trying to bring about the overthrow of the Begin government.

"No foreign factors," he said, "can decide, can determine the character of the Israeli government."

Mr. Begin has said that he would not discuss Mr. Reagan's proposals as the basis for negotiations, but Mr. Shamir emphasized that this did not mean that Israel was rejecting discussions with the United States on ways of achieving peace in the Middle East.

**Peace Is Achievable'**

"We are willing to continue the negotiations in the framework of the Camp David agreement," he said. "We are convinced that an agreement between us and the Egyptians, the Palestinian Arabs,

and even other partners, like Jordan, is achievable, and it's not necessary to look for other concepts and other ways to find solutions before we explore all the possibilities of the Camp David agreements."

In his initiative, Mr. Reagan also said that the American proposals were based on the Camp David agreement of 1978. Under that accord, Israel, Egypt and the United States have been negotiating on the conditions to govern elections, as well as the powers for a self-governing Palestinian authority in the Israeli-occupied West Bank of the Jordan River and Gaza Strip.

Mr. Reagan said that the United States would oppose either Israeli sovereignty over the region or the formation of an independent Palestinian state, but would support some kind of association between Jordan and the authority.

Mr. Shamir made it clear that his strongest objection to the Reagan plan was in the American

effort to introduce into the discussion the final status of the area, instead of just focusing on how to bring about the five-year interim authority.

"If we want to succeed in these negotiations about autonomy, we have to concentrate all our efforts on finding solutions for the problems of the next five years of the autonomy," Mr. Shamir said. "If we try to reach agreements on the final status, we will never find acceptable solutions."

Some American officials, in explaining why Mr. Reagan went beyond the negotiations on autonomy, said they feared that the Begin government was taking steps that might lead to the annexation of the West Bank and Gaza.

But Mr. Shamir said that while the ruling Likud bloc of parties was committed to achieving the sovereignty over the West Bank and the Gaza, "Camp David is very clear that there must be a solution acceptable to all the parties."

Another area of contention is that the United States interprets Security Council Resolution 242 of 1967 as meaning that Israel has to yield territory captured in 1967. In the American interpretation, Israel is obliged to give up control over most of the West Bank, which it captured from Jordan; the Golan Heights, which it took from Syria, and the Gaza Strip, captured from Egypt.

Israel, as the result of the Camp David accord, and the peace treaty of 1979, has returned the entire Sinai, also captured from Egypt. Mr. Shamir said Thursday that Israel stood by the resolution, but would not give up more territory.

When asked how Israel interpreted Resolution 242, he said it means withdrawal from some territories and peace and security for all parties."

"What will remain of our Litani territory," he asked, "according to this theory of territories for peace?"

The spokesman said that 60 Israeli troops who broke into the embassy compound on Sept. 15 stayed in the embassy for 36 hours, despite Soviet protests. He said Israeli snipers in the embassy fired onto the nearby Corniche Mazzraa, where there was heavy fighting between the Israelis and the Palestinians.

A diplomat said that between firefights, the Israeli troops amused themselves by playing the piano. "I would give one of them high marks for his Rachmaninoff," he said.

### Russians Call In Own Bomb Squad To Clear Beirut Embassy Grounds

United Press International

BEIRUT — Officials of the Soviet Embassy, which was shelled and reportedly occupied for 36 hours by Israeli troops, have requested a bomb-disposal unit from the Soviet Union to clear the grounds of explosives.

The Lebanese government has been "extremely cooperative" regarding a request for permission to fly in the unit, "and the men should be here soon," an embassy spokesman said Saturday.

"Several cluster bombs have been found in the grounds and since there are children living here, we want to be completely sure that we are safe," he said.

The spokesman said that 60 Israeli troops who broke into the embassy compound on Sept. 15 stayed in the embassy for 36 hours, despite Soviet protests. He said Israeli snipers in the embassy fired onto the nearby Corniche Mazzraa, where there was heavy fighting between the Israelis and the Palestinians.

A diplomat said that between firefights, the Israeli troops amused themselves by playing the piano. "I would give one of them high marks for his Rachmaninoff," he said.

### Israeli Army Reported to Criticize Sharon

(Continued from Page 1)  
pressing at least indirect displeasure with Mr. Sharon.

Despite such criticism, there is little expectation here that Mr. Sharon will leave the Defense Ministry of his own accord. Mr. Sharon and his allies are seeking to generate support for him around

the country with petitions and rallies.

Also, in a radio interview two days after he had met with the senior officers, Mr. Sharon claimed that he had always favored a wide-ranging investigation of the Beirut massacre involving not just the military but the government.

### India Combating Religious Battles

United Press International

NEW DELHI — Paramilitary reinforcements rushed Sunday to quell three weeks of riots between Hindus and Moslems in the city of Meerut in which 28 people have died.

According to institute officials, the Israelis took a few publications, looked into the computer room and opened some filing cabinets, but did not loot the place.

Philips L'Ecurie, for example, offers its employees considerable benefits. Recruited under age 30, they enjoy total job security, automatic promotion by seniority and loans subsidized by the bank. Despite these advantages, the employees decided, when computers shortened the time needed to do the day's accounts, to continue their early closing hours rather than spend the extra time with customers.

**Habib, Assad Meet**

Philip C. Habib, a special U.S. envoy, met Sunday with President Hafez al-Assad of Syria to discuss a U.S. plan for the withdrawal of foreign troops from Lebanon, The Associated Press reported from Damascus.

Mr. Habib arrived in the Syrian capital Friday and held talks Saturday with a Syrian team headed by Farouk al-Shara, state minister for foreign affairs.

The official Syrian news agency said later that the talks dealt with "means of achieving Lebanon's sovereignty on all its territories through achieving a complete Israeli withdrawal from Lebanon as soon as possible."

**■ Israeli Soldiers Ambushed**

An Israeli troop bus was ambushed east of Beirut near the Syrian front line Sunday, and six soldiers were killed and 16 wounded, United Press International quoted an Israeli Army spokesman as saying in Beirut.

Also Sunday, surgeons amputated the foot of a French paratrooper after he stepped on a mine on a sidewalk in the capital's central area, a French Army spokesman said.

calls the "lack of solidarity" in France is the 39-hour week. Originally proposed to create more jobs, the shorter week was opposed by those who have fared less well. But he is unrepentant: "Whatever I spend, it is money that I have earned, on my own, since leaving home at 17. I think French society needs to reward people who take risks, while lifting the veil on unearned privileges."

**■ 30-Year Grace Period**

"What people don't realize," he said, "is that France and the West in general has emerged from a 30-year grace period. After the war, we had cheap energy, cheap foreign labor, submissive third world markets, and it created prosperity allowing us to conceal our special privileges from one another because wealth was constantly increasing."

Now, he says, "we have to face a new situation of low, uncertain growth, which is really the normal situation for the world economy. Instead of sharing out the money cake, we have to shoulder our shares of the hardship."

### Book on Privileges Wins Socialists' Favor

(Continued from Page 1)

hank L'Ecurie, for example, offers its employees considerable benefits. Recruited under age 30, they enjoy total job security, automatic promotion by seniority and loans subsidized by the bank. Despite these advantages, the employees decided, when computers shortened the time needed to do the day's accounts, to continue their early closing hours rather than spend the extra time with customers.

In the same bank, the dirty work — cleaning — is done by an outside company employing temporary labor, at minimum wages, with no job security and no fringe benefits. Without the exploitation of the cleaners, Mr. Closets writes, it would be impossible for the bank to subsidize the extra benefits for its employees.

The biggest example of what he

Mr. Closets himself has been criticized for a comfortable life-style that is at odds with his appeals for solidarity with those who have fared less well. But he is unrepentant: "Whatever I spend, it is money that I have earned, on my own, since leaving home at 17. I think French society needs to reward people who take risks, while lifting the veil on unearned privileges."

Mr. Closets himself is a risk-taker who is scrupulous not about abusing his own position.

He brings finished manuscripts to his publisher, Grasset, without asking for an advance on his idea. All his books have sold well. But Mr. Closets, who started in journalism as a science specialist and has emerged as a general commentator on French affairs, refuses to allow his picture to appear on the dust jackets of his books because he does not want to profit from his position as a popular television broadcaster.

"I am and have always been a loner who is not afraid to talk," he said, "because I have nothing to hide or protect."

### WORLD BRIEFS

#### U.S. to Quit Groups That Oust Israel

UNITED NATIONS, New York — U.S. officials, facing an expanding Arab drive to expel Israel from various UN agencies, has said that the Reagan administration is prepared to withdraw official U.S. participation in and cut off funding for any international body that bars Israeli delegations.

This stance, a State Department official said Friday, follows "the clear-cut mandate of the Congress and the equally clear-cut will of the president." It is the first time the consequences of an exclusion of Israel from an international body — heretofore described publicly only as "dire" — have been spelled out in detail. The effect on the United Nations could be serious since the United States provides one-fourth or more of all UN and agency budgets.

The U.S. officials said the policy would be applied to the UN International Atomic Energy Agency, which voted 41-39 on Sept. 24 to reject the credentials of the Israeli delegation. So far, the United States has not acted to cut its links with the agency. But an official said that U.S. participation in the body's meetings in Vienna has been halted.

#### U.S., Micronesia Sign Freedom Pact

HONOLULU — The United States has signed an agreement giving limited independence to the Federated States of Micronesia, a group of islands in the central Pacific.

The pact and related documents were signed Friday. The agreement gives the United States military rights in the islands, but leaves the Pacific state autonomous in all domestic and foreign affairs except defense. Washington will provide financial subsidies amounting to about \$1 billion over 15 years to the economically poor islands.

Similar compacts were signed earlier with the Marshall Islands and the Palau group in the Western Carolines. All the agreements must be ratified by a plebiscite in each territory, then by the U.S. Congress and the United Nations.

#### Mitterrand to Meet African Leaders

PARIS — President François Mitterrand, who has pledged to reshape France's policy in Africa, is to discuss French-African relations with the leaders of 40 African countries at a two-day summit beginning Friday.

Political sources in Abidjan, Ivory Coast, said that France's African allies would seek pledges that diversification of French aid to Africa would not mean less aid for them.

Mr. Mitterrand has promised to overhaul the close military and economic ties — which he has said are paternalistic — between France and its former African colonies. At last year's summit in Paris, the government pledged to protect the sovereignty of African countries. But concern in many African countries has now shifted from their military assistance to the state of the world economy.

#### Italian Police Seize Terror Suspect

NAPLES — Police have captured a Red Brigades leader who is believed to be the architect of the gang's attacks in Naples in recent months, investigators said Sunday.

Vittorio Bolognesi, 32, identified as the head of the Red Brigades' Neapolitan unit, was seized in his apartment and poses no resistance, police said. He was believed to be the main figure behind the killing of a Naples police official and his driver in July. He was also believed to have been involved in three attacks on military outposts this year in Naples and in Rome.

Five other suspects and a large cache of arms and ammunition were seized at three hideouts during a major drive begun last week in Naples.

#### Afghan Army Said to Kill 23 Civilians

ISLAMABAD, Pakistan — Afghan Army troops have killed 23 civilians in retaliation for the execution of 37 soldiers captured by a resistance group about 100 miles (160 kilometers) east of Kabul, according to rebel sources.

The sources, who have close links with the Hezb-e-Islami resistance group led by Mullah Yunus Khalis, said Friday that the civilians in the Khogyani district were killed Monday, two weeks after a 72-man army unit was captured by the anti-communist group.

A rebel commander, pretending to be a defector, had reportedly tricked the Soviet-backed government in Kabul into sending him an army contingent to eliminate top resistance leaders in the area. The rebel leader was later said to have ordered the public execution of 37 of the 72 captured soldiers to show other rebels that he had not really defected.

## Grand Class



## How to relax as you fly.

This new symbol stands for the Grand Class of Iberia, International Airlines of Spain.

Everything in Grand Class is designed so that you will discover the ultimate pleasure of flying.

You'll enjoy superb service at all times. You will choose from gourmet menus and vintage wines, served in porcelain and crystal. You will be welcomed with a little gift and, at some airports, cared for in VIP lounges.

In Grand Class you ease into Iberia's new sleeper-seat, so spacious and comfortable that when you recline, it feels like a bed. So you fly in comfort and arrive totally relaxed.

For the ultimate in comfort, service and relaxation, fly Iberia's Grand Class.

IBERIA

INTERNATIONAL AIRLINES OF SPAIN

The Spanish challenge.

World's largest selection of glasses  
in gold, ivory and tortoiseshell  
from 1,200 F.F.

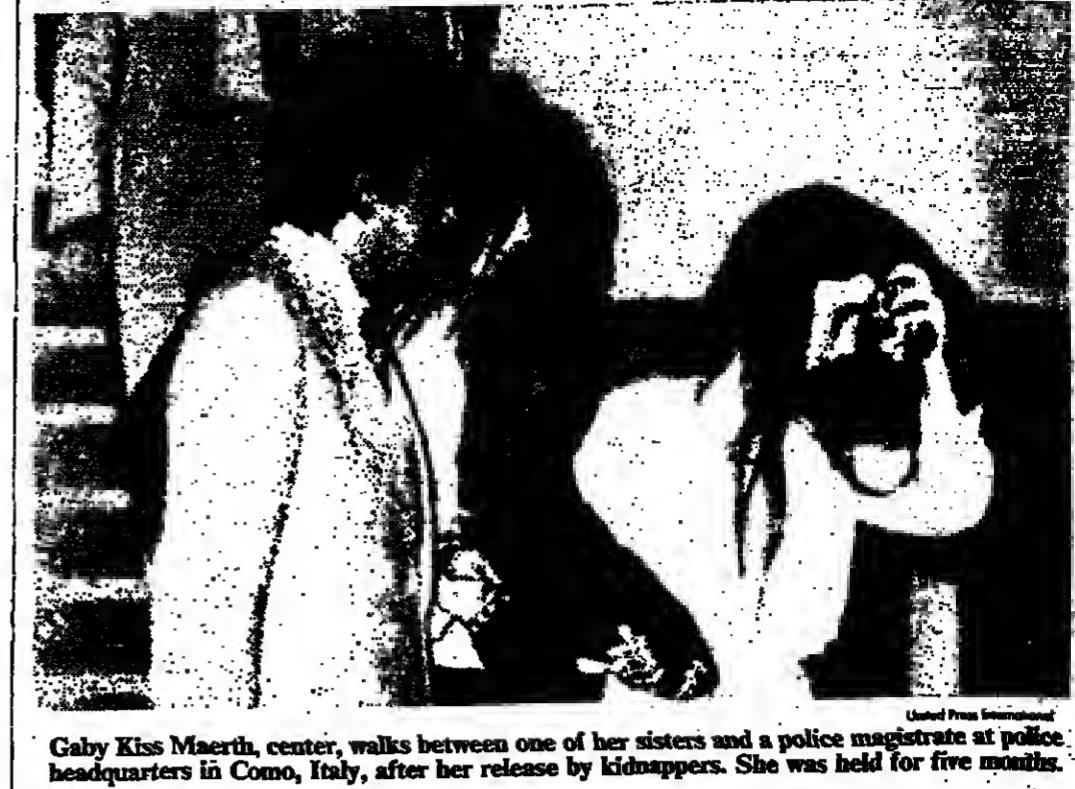
Cillario

The look of elegance.

Original designs from 780 F.F.

42 av. Montaigne, Paris

Tel: 723 9725



Gaby Kiss Maerth, center, walks between one of her sisters and a police magistrate at police headquarters in Como, Italy, after her release by kidnappers. She was held for five months.

United Press International

Photo: Elizabeth and Oscar Kiss Maerth, a retired British businessman, they said.

Police said she had called her parents for help from a public telephone in a bar at Costa Massagno, 13 miles (22 kilometers) east of Como.

Police sources said they believed a 170-million lire (\$119,000) ransom was paid Wednesday for her release. That was unlikely to be officially confirmed, however, because it is a crime in Italy to pay a ransom.

### Book on Privileges Wins Socialists' Favor

(Continued from Page 1)

France is the 39-hour week. Originally proposed to create more jobs, the shorter week was opposed by those who have fared less well. But he is unrepentant: "Whatever I spend, it is money that I have earned, on my own, since leaving home at 17. I think French society needs to reward people who take risks, while lifting the veil on un

# Bush Rejects a 'Hatchet-Man' Role as Republicans' Key Campaigner

By David S. Broder  
*Washington Post Service*

**SAN RAFAEL, California** — The weakness of the U.S. economy has created new fears in the White House of a rout of the Republicans in the congressional elections now just a month away, and Vice President George Bush has been told to toughen up his campaigning and become "the point man" in a counteroffensive against the Democrats.

But Mr. Bush, in an interview during a six-state, cross-country campaign swing that reached its mid-point Saturday in California, expressed puzzlement at talk by presidential aides and Republican National Committee officials of an Oval Office directive to start raising his profile and unleashing heavy weapons fire on the Democratic majority at risk.

"I'm not Spiro Agnew," Mr. Bush said. "I'm determined to

maintain control of my own campaigning. Sure, you can get more attention if you take the colorful, hatchet-man kind of approach and promise the press some startling prose in every speech. But I'm afraid I'm not that flamboyant."

Reports of the new directive to Mr. Bush accompanied a sudden rush of gloomy appraisals from the White House of the risks to Republicans in the Nov. 2 elections. A senior administration official said Thursday that the inroads of the recession and fears of spreading unemployment could cost the Republicans more than 30 seats in the Democratic-controlled House and even put the Republican Senate majority at risk.

Those fears put more pressure on Mr. Bush, already by far the busiest and most visible administration campaigner. But the vice president seemed deliberately impervious to the swirling currents

around him. "I have no hesitancy to raise my voice. But I don't see frankly, that it's more productive than what I've been doing."

What he has been doing — part-time since January and almost full-time since Labor Day — is stumping the country for congressional and gubernatorial candidates in selected races. A few old political and personal friends with no particular problems this year have also prevailed on Mr. Bush to speak for them. But, for the most part, he has gone where the White House has wanted.

Demanding Pace  
His willingness to do so at a demanding pace has drawn praise from many in the party and in the administration. He has logged 77,000 miles of domestic travel this year, most of it political. On Monday and Tuesday, in Iowa, Illinois and Missouri, his schedule includ-

ed 23 events — speeches, receptions, news conferences and interviews.

Local Republicans say Mr. Bush's campaign staff is competent and courteous. They add, privately, that Mr. Bush's people are much easier to work with than President Ronald Reagan's advance teams. Mr. Bush is regarded as a good drawing card, particularly for contributors, and as a politician sensitive to the nuances of individual races.

But, as a Republican campaign consultant with close White House ties remarked, "He doesn't light any fires." And, increasingly, Republicans fear that they need to do something to avoid being consumed by the burning unemployment issue.

The president is the Republicans' best campaigner, but he can always appear completely partisan at a time of foreign policy cri-

sis. Some White House officials say there also is an unresolved conflict over his October schedule between those who want him to be more involved in the campaign and those who want to spare him from close identification with what they now regard as inevitable election defeat.

Of the cabinet members, only Treasury Secretary Donald T. Regan and Interior Secretary James G. Watt are regarded as drawing cards, and Mr. Watt produces negative reactions from so many people that he has, in effect, been benched.

Leading Republicans in Congress are either preoccupied with their re-election races or pursuing separate campaign schedules, some with 1984 or 1988 presidential ambitions. So the burden of the Reagan administration's campaigning falls on Mr. Bush.

Financially, he has been a big

success. He drew more than \$300,000 each at receptions and dinners for the senatorial and gubernatorial candidates in California. Breakfasts and lunches for House candidates in Missouri and California were five-figure events.

Mr. Bush tuned his message to the needs of particular Republican candidates. In Cape Girardeau, Missouri, where Representative Bill Emerson is being criticized by the Democrats as a "Reagan robot," Mr. Bush said, "Thank God for men with the courage to keep their promises and support the United States."

In San Rafael, where the Republican nominee, Dennis McQuaid, has outspokenly criticized some administration environmental and social policies, Mr. Bush said, "We don't want a rubber stamp. We want men of integrity who will vote the way you want."

What he did not do was cuff the

Democrats around in a way that would satisfy the wishes of White House aides that he "get on the network news."

His visits are big news in small towns, but not in metropolitan areas, such as San Francisco. His press almost defies those searching for a headline or a film clip. He chose to highlight the importance of the McQuaid race — one of the better Republican chances to capture the seat of a retiring Democratic congressman — by saying it was necessary to win to "sublimate the obstructionism we encounter in the Democratic majority in the House."

Seemingly, he could not care less about making no ripples in the national news. "I don't know what they mean by a 'high profile.' I give a speech in Washington to some group almost every day. I travel, and no one reports it. ... I want to help us win this election, and if I can do it by mail, fine. But I'm really trying these candidates, not to overshadow them."



George Bush

## Shoplifter Is Sought In U.S. Cyanide Deaths

Compiled by Our Staff From Dispatches

**CHICAGO** — The police search for the person or persons who injected cyanide randomly into Extra-Strength Tylenol pain reliever capsules, killing seven persons, focused Sunday on a man who shoplifted the medication from a suburban store in August.

Tyron C. Fahner, the Illinois attorney general, said that preliminary analysis of recovered Tylenol capsules suggests that more than one "madman" may be involved. However, Mr. Fahner's spokesman, Paul Zemitzsch, called the shoplifter a "good lead."

Local and federal officials said disgruntled former employees of the Chicago-area stores where the poisoned Extra-Strength Tylenol capsules were found also were being checked.

Important evidence may come from an unsold Tylenol bottle containing 14 cyanide-filled capsules that was found in the back room of a suburban drugstore. The bottle had been removed from the store's shelves the day before as part of the extensive recall of the product.

According to one theory of investigators, the killer or killers picked Chicago-area stores at random and put one poisoned bottle at the root of each Tylenol display. "He put them in the front of the shelves so they would be the next one purchased," Mr. Zemitzsch said.

The spokesman said a team of 142 federal, state and local investigators was seeking a shoplifter arrested in August for stealing bottles of Tylenol from a suburban store.

The shoplifting suspect and various disgruntled employees are

merely various theories," Mr. Zemitzsch said. "Anyone who is reported to be stealing Tylenol is rather an unusual type of person and someone we'd like to talk to. It's just a good lead for us."

Disgruntled employees are "always among the prime targets of any investigation because they have a reason to do this," he added.

Mr. Fahner said, "So far [there is] only one bottle per store. It suggests a person literally is going around 'salting' [the capsules] from store to store. ... Random murder is what it amounts to."

"It would appear that since there is one bottle per store, it is very hard to conceive how it would happen any other place than the store itself," he added. "Obviously no one poisoed a whole batch that went to a certain store."

### 2 Policemen III

The attorney general disclosed that two police officers became ill after picking up what seemed to be Tylenol capsules from a parking lot near a suburban restaurant last Tuesday. "They found these red capsules all over the parking lot," Mr. Fahner said, "and manually and physically picked them up. The next day, the officers were ill."

Mr. Zemitzsch noted that cyanide "can go right through the skin," and said that the officers "were sick for several days — nausea, headache, syndromes that can be associated with a very, very mild type of cyanide poisoning. They're running tests to see what capsules oow."

Mr. Fahner said Saturday that the tainted capsules previously inspected appear to have been as-



The Associated Press

Stanley Janus, 25, and his wife, Theresa, 19, are shown shortly before their marriage last July. Both died last week after taking poisoned Tylenol capsules. They apparently took them from the same bottle that killed Mr. Janus' brother, Adam, 27.

sembled by more than one person. "Some were put together in a very haphazard way. They pop all over the place," he said. "But other [capsules] are done better."

"It suggests that maybe we've got two or three people, some more careful than others ... or maybe just one person without much patience," he said.

Since Wednesday, seven persons have died from cyanide poisoning after taking the capsules.

Mayor Jane M. Byrne ordered health inspectors to remove all

Tylenol products from store shelves. She urged residents to bring Tylenol products to police and fire stations with the date and location of purchase.

Consumers across the country were urged not to take any Extra-Strength Tylenol capsules until the mystery is resolved.

The manufacturer, McNeil Consumer Products Co., of Fort Washington, Pennsylvania, a subsidiary of Johnson & Johnson, has offered a \$100,000 reward for information leading to the killer or killers.

could be shared.

This resulted in a two year programme to install a configuration from Philips P4000 family of multi-workstation, multi-application, computer systems in each of 20 European centres.

### Why Philips?

First, a novel packaged-software concept allowed each P4000 system to be tailored to its particular job quickly at low cost. Thus, the software could be specially adapted for each location — centrally, under one person's supervision.

Second, computerized procedures could evolve in small, comfortable steps. Initially, each system would stand alone. Later, some would be interconnected

— along with Philips word processors and telex systems. Meanwhile, existing earlier-generation Philips computers will continue serving until their replacement.

Finally, Philips was at home in each country served by Gondrand — and service before and after sale had been superb.

Results? Gondrand's customer service will be better than ever. For example, it will soon be possible for customs documents to be processed at international borders before the Gondrand vehicle even arrives!

This is one way Philips is smoothing the road to better service and profits. Here are some others.

Along with Philips word processors and telex systems. Meanwhile, existing earlier-generation Philips computers will continue serving until their replacement.

Finally, Philips was at home in each country served by Gondrand — and service before and after sale had been superb.

Results? Gondrand's customer service will be better than ever. For example, it will soon be possible for customs documents to be processed at international borders before the Gondrand vehicle even arrives!

This is one way Philips is smoothing the road to better service and profits. Here are some others.

Based on the highly successful DSX-40 system, the DSX Series of microprocessor-based message switching systems provides a tailored approach to the heavy-telex user market where requirements may extend from 2 telex lines/6 terminals up to 10 telex lines/40 terminals.

## Leading Argentines Investigated For Links to Gelli, Masonic Lodge

By Edward Schumacher  
*New York Times Service*

**BUENOS AIRES** — Reports that prominent Argentines have been members of the secret Italian Masonic lodge called Propaganda 2 are being investigated after the arrest in Switzerland of the Italian industrialist who headed the lodge.

The industrialist, Licio Gelli, who was seized with a fraudulent Argentine passport in mid-September, disappeared from Italy about 18 months ago and was said to have been in hiding in Argentina and Uruguay under the protection of military leaders. Among the charges filed against him in Italy were swindling and espionage.

President Reynaldo Bignone has reportedly met with Argentina's senior military leaders to discuss the ramifications of statements made by Italian investigators that 26 prominent Argentines, among them generals, former cabinet members and leading businessmen, had belonged to the secret lodge.

The Argentine government recently announced regulations prohibiting television stations and state-owned radio stations from reporting on the P-2 affair and other sensitive matters.

Industry Announced

The regulations did not apply to newspapers or magazines. But Jose Palozzi, editor of Quorum, a magazine that has closely followed the issue, and other journalists have said that they have received telephone threats in recent days to stop reporting on P-2 or be killed.

Eduardo Masschwitz, the presidential spokesman, has said that it is "not the government's job" to

stop reporting on P-2 or be killed.

Word processors and other non-voice terminals may also be connected to a DSX system to build a company-wide integrated office communications network. The system then functions as the network's "electronic postman," collecting and distributing inter-office memo's, messages, letters and other documentation electronically.

The microprocessor-controlled paging system is directly linked to the PABX telephone system, and also to alarm circuits at critical stages in the brewing process.

Individual paging calls and two-way conversations can be set up from any telephone. At the same time, servicemen will be called automatically if a fault arises anywhere in the brewery. The DP6000 receivers have a 5-digit display that indicates the nature and location of any process alarm so that specialists can be on the spot without delay.

account when he was arrested last month. Italian investigators reported thought that some of the money originated from South American subsidiaries of Italy's Banco Ambrosiano and was part of the missing millions that led to the recent liquidation of the bank.

**THE RUN DEEP**

It might seem odd that Argentines would be involved with Mr. Gelli and an Italian lodge, but the ties between the two countries run deep. The descendants of Italian immigrants are the largest ethnic group in Argentina.

Mr. Gelli's particular connection appears to have been his friendship with former President Juan Peron when the latter was in exile in Spain in the 1960s. When Mr. Peron returned to Argentina in 1973, Mr. Gelli was on the same plane.

Mr. Peron died in 1974, but his successor, his third wife, Isabel, appointed Mr. Gelli to the post of economic adviser to the Argentine Embassy in Rome, created for him, and gave him an Argentine diplomatic passport, providing him diplomatic immunity in his plane.

Mr. Gelli's activity in Argentina was said to have continued after Mrs. Peron was overthrown by the military in 1976. He kept his diplomatic passport and embassy post until last year, when the Argentine government withdrew both after the Italian scandal erupted.

Patricia Kelly, a Peronist leader who has filed two of several private suits demanding court investigations into the lodge, said he was doing so because "Argentina is the main branch of P-2."

## SMOOTHING THE ROAD TO COMPUTERIZATION

When N.V. Gondrand, the large international transport company, started to computerize its offices some 13 years ago, it turned to Philips. Since then, Philips has helped in progressively upgrading Gondrand's computer systems — while smoothing the "bumps" at each step along the way.

This was not without its challenges. Gondrand consists of many independent companies, and 250 branches worldwide. Each has its own way of working — dictated largely by customs and regulations that vary from country to country.

Facing up to this, Gondrand's management invited key staff from each member company to its Antwerp office, so all problems and possible solutions

could be shared.

This resulted in a two year programme to install a configuration from Philips P4000 family of multi-workstation, multi-application, computer systems in each of 20 European centres.

Why Philips?

First, a novel packaged-software concept allowed each P4000 system to be tailored to its particular job quickly at low cost. Thus, the software could be specially adapted for each location — centrally, under one person's supervision.

Second, computerized procedures could evolve in small, comfortable steps. Initially, each system would stand alone. Later, some would be interconnected

— along with Philips word processors and telex systems. Meanwhile, existing earlier-generation Philips computers will continue serving until their replacement.

Finally, Philips was at home in each country served by Gondrand — and service before and after sale had been superb.

Results? Gondrand's customer service will be better than ever. For example, it will soon be possible for customs documents to be processed at international borders before the Gondrand vehicle even arrives!

This is one way Philips is smoothing the road to better service and profits. Here are some others.

Based on the highly successful DSX-40 system, the DSX Series of microprocessor-based message switching systems provides a tailored approach to the heavy-telex user market where requirements may extend from 2 telex lines/6 terminals up to 10 telex lines/40 terminals.

**ELECTRONIC MESSAGE CENTRE**

Philips new DSX Series of message switching systems turns traditional telex rooms into cost-effective electronic message centres. Modern office teleprinters, such as the Philips PACT 220, communicate with the system on a store-and-forward basis.

While the message is in storage, the DSX automatically converts transmission codes and speeds, as required, and forwards the message(s) over private and/or public network circuits as soon as outgoing lines are free — or during off-peak periods when telex tariffs may be lower.

Word processors and other non-voice terminals may also be connected to a DSX system to build a company-wide integrated office communications network. The system then functions as the network's "electronic postman," collecting and distributing inter-office memo's, messages, letters and other documentation electronically.

The microprocessor-controlled paging system is directly linked to the PABX telephone system, and also to alarm circuits at critical stages in the brewing process.

Individual paging calls and two-way conversations can be set up from any telephone. At the same time, servicemen will be called automatically if a fault arises anywhere in the brewery. The DP6000 receivers have a 5-digit display that indicates the nature and location of any process alarm so that specialists can be on the spot without delay.

**DIGITAL PAGING AND CCTV**

To cope with the demand for world-famous Carlsberg and Tuborg beers, the United Brewery Company has built Europe's most modern brewery at Fredericia in Denmark. This fully-automated brewery can produce nearly 1½ million bottles of beer per day. And Philips DP6000 digital paging system helps everything to flow smoothly by keeping personnel in contact with each other, and with process status over the 160,000 m<sup>2</sup> site.

The microprocessor-controlled paging system is directly linked to the PABX telephone system, and also to alarm circuits at critical stages in the brewing process. Individual paging calls and two-way conversations can be set up from any telephone. At the same time, servicemen will be called automatically if a fault arises anywhere in the brewery. The DP6000 receivers have a 5-digit display that indicates the nature and location of any process alarm so that specialists can be on the spot without delay.

These are just a few examples of Philips contribution to efficiency in business. If you would like more information, contact your Philips organization or Philips Marketing Support Department, VOA-022

## 5. Will Seek Tougher Technology Curbs on East Bloc

Joseph Fitchett  
International Herald Tribune

The Reagan administration is pressing its campaign to banish Western technology from reaching the Soviet Union. It will urge its allies to adopt curbs on sensitive industries to communist countries starting Monday in Paris.

Technology is the most important exchange among the East-West commercial trade conflict erupted between the United States and European participants during the summer. A planned Soviet natural gas to Western Europe, European participants

technological leaks that he Soviet armed forces said they will add scores of items to the list of prohibited exports at meeting of the Coordinating Committee for Exports to

Communist Areas, known as COMCOCOM.

The Reagan administration is concerned about a range of products — including computers, microelectronics, semiconductors, silicon used for semiconductors, optical fibers, robotics and special alloys — that the Soviet Union might ostensibly import for civilian purposes but then put into military service.

The administration will also try to convince allied governments to agree to beef up COMCOCOM's almost nonexistent investigative and enforcement powers and its small budget, which have scarcely increased since COMCOCOM was set up in 1949. Originally part of the North Atlantic Treaty Organization, it has become more autonomous so that Japan and France can participate.

Trans-Atlantic political tensions, mainly over the gas pipeline, could undermine the Reagan administration's campaign to curb Western sales of sensitive technology.

The political overtones of the

COCOM meeting are evident from the participants' ranks: The U.S. delegation includes assistant secretaries from the State, Defense, Commerce and Energy departments.

The Reagan administration attaches high priority to stopping the Soviet Union from using advanced Western technology to save time and money in modernizing Soviet forces. Arguing that most recent Soviet weapons systems incorporate U.S. or European industrial discoveries, U.S. officials contend that 90 percent of the technology bought by Moscow in the West winds up in the modernization program of the Soviet armed forces.

U.S. officials say that microcircuits exported in U.S. toys have been found in Soviet anti-submarine buoys, that a dry dock sold by Japan was used to build a Soviet aircraft carrier, that computer software for airport control towers has been diverted to Soviet military planes' fire-control systems.

As a result, the Soviet Union has made huge savings on research in its military budget, thus raising the cost of Western defenses, U.S. officials contend.

"We think there is a general Western consensus that we are suffering significant leakage through trade that is causing us collective damage," a U.S. participant said, adding: "But there is still a lot of negotiating about how to balance security and trade in each sector."

France, which is chairing the COCOM meeting, will play a crucial role in the atmosphere of the talks. The government of President Francois Mitterrand has been particularly outspoken in criticizing U.S. attempts to force Europe to restrict its commercial contacts with the Soviet Union.

West Germany, with its new center-right government, is expected to be more conciliatory to the Reagan administration's views. Britain, normally close to U.S. views on East-West trade, is anxious to keep in step with other European governments in the pipeline controversy, diplomats said.

The United States, in a related move, has tried to get NATO more deeply involved in reviewing Western trade with the Soviet Union. But France and West Germany have led European efforts to water down the U.S. proposals, diplomats said. Japan, not a NATO member, is reluctant to see the military organization gain any role in commercial questions, they added.

Before the meeting, U.S. officials insisted that Mr. Shultz and the European allies had agreed to put aside the pipeline argument and discuss more general matters instead. It was hard to see, however, how the pipeline issue could be avoided at a time when many Europeans were known to believe that it was damaging the alliance.

In fact, the weekend meeting in the Laurentian Mountains of Quebec was first suggested as a way for NATO ministers to sit around in seclusion, without even advisers and aides, and discuss all NATO problems, including contentious ones.

In all, 15 foreign ministers came for the informal and agenda-free sessions. Due to the change of government in West Germany, it was represented by a state secretary, Bernd von Staden.



George P. Shultz

## Pipeline Row Complicates NATO Talks

By Starley McIsaac  
*Los Angeles Times Service*

VAL DAVID, Canada — Secretary of State George P. Shultz met for the first time with the other NATO foreign ministers over the weekend in a private session held under the shadow of the bitter disagreement over the Soviet natural gas pipeline.

The decision, announced Saturday by the Labor Party chairman, Gro Harlem Brundtland, a former prime minister, brought a sharp response from Prime Minister Kaare Wilcock, who accused Labor of changing its mind on a program that it supported when it was in power.

Mrs. Brundtland said at the party's National Council that Labor would oppose any Norwegian financial contribution toward launching the Pershing-2 and cruise missiles that may be deployed at the end of next year or early in 1984.

She urged postponing construction of the launchers pending the results of the U.S.-Soviet nuclear arms reduction talks that began in Geneva in November. Under a NATO council decision of December 1979, deployment of new missiles would start at the end of next year should these talks fail.

Mr. Wilcock said that Labor had reversed its stand of last June when the missile issue was debated in Parliament and Labor voted in favor of financing Norway's share of construction costs.

Mrs. Brundtland said that her stand did not mean that Labor was reneging on its support of the 1979 NATO decision. She pointed out that, apart from West Germany, no European NATO member-state had ruled on financing the deployment of the missile and that Norway, which will not have any rockets on its territory, should not act as its "spearhead."

To do so would be to bring political pressure to bear on such countries as the Netherlands and Belgium, where the program was a major political issue, she said.

When the question was debated last June, the Labor Party was divided on the issue. Twenty-one anti-NATO members of the Labor Party were joined by 11 leftists, as well as anti-nuclear nonsocialist members of Parliament in voting for a resolution that said Norway "in the present situation" should not finance construction costs.

Now, they may be able to muster enough support to vote against any government bill on appropriation, and this may lead to a government crisis, observers said.

State Department officials have made it clear that, although the pipeline argument should be put aside for the time being, they do want to discuss the broad issue of East-West trade.

There has been speculation for some time that the Reagan administration might ease its sanctions on the pipeline if the European allies tightened restrictions on trade with the Soviet Union. European governments, however, are in no mood to restrict their trade with the Soviet Union while the United States continues to sell grain there.

## Iraq Claims to Repulse Iran Attack; Sudan to Aid Iraq With Troops

Compiled by Our Staff From Dispatches

NICOSIA — Iraq claimed Sunday that its forces had repulsed a third Iranian attack in as many days in the central sector of the Gulf war front.

Baghdad radio, monitored in Cyprus, broadcast a military communiqué saying that Iranian units attempting to cross into Iraq at Sumer, about 100 miles (160 kilometers) east of Baghdad, were forced to retreat after two hours of fierce fighting Sunday. The communiqué said the fighting brought heavy Iranian losses.

In Khartoum, the official Sudan news agency said that Sudan had decided to send troops to fight alongside Iraqi forces. The agency said President Gaafar Nimeiri, who is also defense minister, met Sunday with his senior military aides to discuss the number of troops and weapons to be sent.

The agency did not say when the troops would arrive in Iraq.

It said the Sudanese decision was made in compliance with resolutions adopted last month at the Arab summit meeting in Morocco. The resolutions define foreign aggression against the territories of any Arab country as an assault on all Arab states.

### Strategic Heights

Iraq announced Friday that it had recaptured several strategic heights and 60 square miles of Iranian territory from the Iraqis in a predawn offensive. Iraq denied the loss of ground, saying the offensive was repulsed.

On Saturday, the Iraqis said Iranian units tried to entrench themselves one to two kilometers inside Iraq while other units attempted to breach the Iraqi defense and march to the town of Mandali, about 70 miles east of Baghdad. A communiqué said that that offensive had also failed and that Iraq

was making preparations for a major counteroffensive.

Iraq's foreign minister, Saddam Hammadi, flew to New York on Saturday to attend an emergency meeting of the UN Security Council that was demanded by Iraq to discuss "the latest Iranian aggression."

The Sudanese move would represent the first official involvement by the armed forces of any Arab state in the two-year-old Gulf war. According to the Iraqi news agency, Iraq's forces have been joined by Arab volunteers — Moroccans, Tunisians, Somalis, Lebanese, Palestinians, Syrians, Jordanians and Egyptians.

### Saudi Call

The Saudi state radio called Sunday for "quick and serious pan-Arab moves" to back Iraq "before it is too late." It was the first Saudi call to be made since the start of the Gulf war. Earlier, a statement from the Saudi court urged Iran to respond promptly to peace efforts.

The radio warned Iran that it faced a "no-holds-barred" war with the entire Arab world that could lead to foreign involvement in the Gulf.

In Amman, the Jordanian government announced its support for Iraq and called on other Arab states to do the same in accordance with the resolution at the Arab summit meeting. Jordan has been an active supporter of Iraq in the war, having dispatched several thousand volunteers to fight alongside the Iraqis.

Arab ambassadors were summoned to the Foreign Ministry in Baghdad and asked to grant military, economic and financial aid and to break off political, economic and financial ties with Iran, the Iraqi news agency reported.

## Russia Surveys Games Of U.S. Navy in Pacific

By Drew Middleton  
*New York Times Service*

WASHINGTON — Early last week two U.S. aircraft carriers and their battle groups began maneuvering in the northern Pacific, south of the Aleutian Islands, and the Soviet Union reacted at once.

U.S. military analysts said that Soviet Bear and Badger reconnaissance aircraft took off from Siberia to survey the two battle groups around the carriers Midway and Enterprise. Destroyers and submarines from the Soviet Pacific fleet and intelligence-gathering ships were immediately sent out to accompany the navy squadron, the sources added, and Soviet fighter missions were altered to keep track of it.

As the Russians see it, the analysts suggested, the carriers were operating within striking distance of the Soviet naval base of Petropavlovsk in the Kamchatka peninsula. Petropavlovsk and Vladivostok are the main operating bases for the Soviet Pacific fleet.

For example, Britain's foreign secretary, Francis Pym, said at a luncheon in New York last week that "American measures have caused painful strains within the alliance."

State Department officials have made it clear that, although the pipeline argument should be put aside for the time being, they do want to discuss the broad issue of East-West trade.

There has been speculation for some time that the Reagan administration might ease its sanctions on the pipeline if the European allies tightened restrictions on trade with the Soviet Union. European governments, however, are in no mood to restrict their trade with the Soviet Union while the United States continues to sell grain there.

The analysts also suggested that the Russians could be expected to continue to show sensitivity to operations in areas close to their sea frontiers. The informants said that the policy of the U.S. Navy calls for exercises in areas where, according to one source, its forces might have to fight if there were a war, rather than in traditional mid-ocean waters.

### Control of Alaska

The rationale for the naval exercise was said to be that, in a war between the two superpowers, Alaska, which provides 15 percent of U.S. oil, would be a primary naval target. Control of Alaska, a Defense Department official said, "clearly would be an important Russian objective."

In this and similar exercises, the navy is abandoning a 40-year policy of extended exercises. These long-term deployments, such as five months or more in the Indian Ocean, were bad for morale and for recruiting, the navy believes. Consequently, the present program favors exercises of two to four weeks in which ships and men work 24 hours a day in the seas and weather in which they would fight in a war.

The current exercise is likely to promote Soviet as well as U.S. war games. On such exercises, the Russians customarily deploy submarines to simulate attacks on U.S. carriers and other surface ships. During a recent North Atlantic Treaty Organization exercise off Iceland, five Soviet submarines entered the Norwegian Sea and practiced attack patterns against U.S. and other NATO ships.

One dividend from such activity, naval sources said, is that the navy has had far more operational contact with its potential adversary than any other U.S. military service.

The emphasis today, naval officers said, is on anti-submarine warfare. In the event of war, they added, Soviet submarines must be neutralized in the Norwegian Sea and destroyed before they can move into the North Atlantic to prey on allied convoys.

A senior official said that the submarine threat "worries us more than the air threat." At the same time, he conceded that the Soviet Backfire bomber with its air-to-surface missiles would constitute a serious danger to U.S. naval deployments.

## Russia Said to Develop A Quick-Attack Plan

The Associated Press

LONDON — The Soviet Army is developing an attack plan to punch through NATO's defense forces quickly in an effort to win a European war in three to four days, a leading analyst of Soviet military affairs says.

Christopher Donnelly, a senior analyst at the Soviet Studies Research Center at Sandhurst Royal Military Academy, said the Soviet objective would be to cut off the front-line North Atlantic Treaty Organization forces from reinforcement and to destroy the alliance's missile bases, particularly in West Germany.

Mr. Donnelly's assessment was reported by the Press Association, Britain's domestic news agency. His report will be published shortly in the authoritative journal International Defense Review.

Defense Ministry spokesman declined comment on the report.

Donnelly's Scenario

Mr. Donnelly's scenario became known several days after the International Institute for Strategic Studies reported in its 1982-83 assessment of the military balance that NATO forces suffer from a lack of central coordination and logistics problems.

The alliance, the institute noted, is outnumbered by Soviet forces and tanks, but it emphasized that there is "insufficient overall strength on either side to guarantee victory."

## WORLDWIDE ENTERTAINMENT

PARIS

### LES 2 MEILLEURES SOIRES DE PARIS

NOUVELLE REVUE COCORICO I

LIDO

20 h 30 Diner dansant champagne et revue

335 F

22 h 30 Revue et 0 h 30 champagne

230 F

PRIX NET/SERVICE COMPRISE

230 F

116 bis av. des Champs-Elysées

563 II 61 et agences

FRENESIE

MOULIN ROUGE

20 h 30 Diner dansant champagne et revue

335 F

22 h 30 Revue et 0 h 30 champagne

230 F

PRIX NET/SERVICE COMPRISE

230 F

MONTMARTRE

Place Blanche

60 rue de Poitou

## SENIOR EXECUTIVE POSITIONS

shed every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

POSITION	SALARY	EMPLOYER	LOCAT.	QUALIFICATIONS	CONTACT	Source
PER		Saudi Basic Industries Corp.	Saudi Arabia	Grad. Chem. or Mech. Engineer; practical exp. operating & maintaining large air separation plants & gas supply systems; over 35 yrs. exp.	Project Manager Air Separation Plant, Saudi Basic Industries Corp., P.O. Box 5101 Ryadh.	LRT, 23-9-82
TING	Excellent	OK Corp Ltd.	Basel, Switzerland	Min. 3 yrs. exp. in the lift (European) general cargo market.	Mr. R. Chappaz, OK Corp Ltd., Tel.: (01) 287425, Tz. 64228 (Switz.).	LRT, 23-9-82
TING	Exceptionally attractive	Norwegian sales of European-based multinational.	Norway	25-45. Min. deg. & previous exp. of industrial engg. in lift contract; Eng., Norwegian +.	Ian Hetherington, Norwegian Services Ltd., 64 South Audley St., London W1V 5PQ, Tel.: 01-492 8588.	JAT, 23-9-82
T PER	Negotiable	SI's Consultancy & Training Services Division.		IPF prod.; 30% min. 5 yrs. relevant exp., incl. success. mngt. of at least one system; software project worth \$200,000.	Mrs. Diane Smith, IC, Consulting Service, Reading, Berks, RG1 7PA, Tel.: (0734) 361250.	LRT, 23-9-82
UAL OLLER	c.\$25,000	Omni Co. in Muscat (Bricks manuf.)	Singapore	35-45; able to demonstrate entrepreneurial & financial acumen; Middle East trade exp.; Eng. + Arabic.	Ref. 521, Mr. A.G. Williams, Brian Woodward & Co. Ltd., 1	

## Kohl's Big Obstacles: A Flagging Economy And Political Turmoil

By James Markham  
*New York Times Service*

**BONN** — Inheriting West Germany's limping economy and a sharpening crisis in its party system, Chancellor Helmut Kohl is facing uphill odds as he attempts to hit the ground running with a promised "new beginning" in the nation's public life.

To his advantage, the new Christian Democratic chancellor, who unveils his cabinet Monday, can count on the goodwill of the West

### NEWS ANALYSIS

German business community and the Reagan administration in their first months in office. Both welcome a turn to the right in Bonn after 13 years of government dominated by the Social Democrats.

Mr. Kohl has made it plain that stimulating investment and reducing unemployment will be the priorities of his new government. There are signs that his ministers will try to capture the nation's attention, and sympathy, for the "mess" they have inherited from the Social Democrats. The image of a fresh team rolling up its sleeves and cutting out the fat of state expenditure could win the public's support, or suspension of judgment.

But, whereas pulling West Germany out of its steep recession is a long-term undertaking, Mr. Kohl faces some pressing, short-term political dilemmas that could distract him and his three-party coalition from their larger agenda.

#### Free Democrats' Turnoff

The first is the disarray — some would say disintegration — of the little Free Democratic Party, which was torn by a wrenching, destructive debate after it abandoned a coalition with the Social Democrats and switched to Mr. Kohl's party. A score of deputies from the Free Democrats' 53-strong Bundestag group ultimately voted against Mr. Kohl on the motion that brought him to power Friday.

The Free Democrats are scheduled to hold an emergency congress in Düsseldorf on Oct. 16 to debate their controversial new course. Though the meeting might be put off, the party will certainly begin a long-planned congress in West Berlin on Nov. 5.

At the Berlin gathering, the party's left wing will probably mount a challenge to the leadership of the party chairman, Hans-Dietrich Genscher, who was the architect of the inelegant, slow-motion switch to the Christian Democrats. If the Free Democrats are eliminated from the Bavarian state legislature in elections there next Sunday — as they were last month in Hesse — Mr. Genscher's foes in Berlin will have fresh arguments against the Bonn alliance.

An astute tactician, Mr. Genscher may survive Berlin, but his au-

thority could be further weakened. The Free Democrats' weight in the cabinet has already been diminished with the loss of the key Interior Ministry, which they held under Helmut Schmidt. Mr. Genscher retains the posts of deputy chancellor and foreign minister.

#### Attacks by Strauss

Any weakening of Mr. Genscher also weakens Mr. Kohl, because it strengthens the hand of their mutual opponent, Franz Josef Strauss, head of the coalition's third component, the Bavarian Christian Social Union. The Bavarian premier has kept up his verbal guerilla war against the Free Democrats, saddling them most recently with co-responsibility for the "chaos" in the economy.

It was at the insistence of Mr. Strauss that, even before Mr. Kohl became chancellor, the new coalition committed itself to a firm date for renewing its legitimacy through elections — on March 6, 1983. This date now haunts Mr. Kohl, because it inhibits planning for a long-haul economic recovery and, by definition, makes his government a transitional one.

Mr. Strauss reportedly hopes to replace Mr. Genscher as foreign minister after the pledged March elections, sensing that the Christian Democrats and his own party can win an absolute majority in Bonn and dump the faltering Free Democrats. If the Bavarian continues to insist on March elections, it will be difficult for Mr. Kohl to back off from this awkward commitment.

There are, for Mr. Kohl and the Christian Democrats, good political reasons for skirting early elections. One is that the deflated Free Democrats might fail to get into the Bundestag and be displaced by the radical Green anti-nuclear movement.

#### Warning on Greens

In last week's emotional Bundestag debate, Wolfgang Mischnik, the Free Democratic floor leader, warned ominously — and a bit self-servingly — that the Greens' emergence as the power brokers in Bonn would "shake the foundations" of West German poli-



British Labor Party leader Michael Foot, third from left, and other participants sing at the end of the party conference.

## Hostility Marked U.K. Labor Party Conference

### Behind Cheery Facade and Bogus Unity Lurks Trouble as Elections Near

By R.W. Apple Jr.  
*New York Times Service*

**LONDON** — Before the British political parties began holding their annual conferences, Sir Harold Wilson, the former prime minister, delivered a harsh judgment about the Labor Party.

"Eight years ago," he said, "after four victories in five general

#### NEWS ANALYSIS

elections, I told the conference that Labor had become the natural party of government. Today, we hardly present the image of the natural party of opposition."

This year's Labor meeting at Blackpool improved things a bit. It was the perfect example of the old British political maxim to the effect that "nothing concentrates the minds of politicians like an election." In this case, those whose minds were concentrated by the prospect of electoral combat next year were the leaders of the big trade unions, and they imposed on the party a slightly bogus unity.

But the alternative to March elections — holding on to power until the end of the legislature's 1984 mandate — also has disadvantages for Mr. Kohl. His route to power, through a no-confidence vote in Mr. Schmidt, was constitutional but unique in West German history; an odor of power politics, and intrigue, inevitably clings to his new government.

If Mr. Kohl reneges on the election commitment, he will find himself thrown on the moral defensive. And the big beneficiaries of such a spectacle could be the Greens, who thrive on a distaste among the young for "politics as usual" in Bonn.

#### Certain to Recur

When the annual jamboree ended Friday, the delegates were able to congratulate themselves on the fact that Tony Benn, the leader of the left wing, had pledged himself "without any reservation whatever to work for the election of a Labor government under the leadership of Michael Foot," and that Denis Healey, the leader of the right wing, had managed to make a speech that suggested both the need for an incomes policy and the impracticality of putting one into effect.

But behind the cheery facade lurked problems that seem certain to recur during the weeks and months ahead as Labor prepares for its contest with Prime Minister Margaret Thatcher sometime next year.

The unions gave Mr. Foot the authority, and the votes on the party executive committee, to expel the ringleaders of the Militant Tendency, the Trotskyite splinter group that has so preoccupied the party in recent months. But Mr. Benn promised to fight expulsions, and on Thursday he formed yet another left-wing pressure group to do so.

The unions made it possible for the conference to approve by a two-thirds majority, after 20 years of debate, a resolution calling for the elimination of all nuclear weapons, U.S. as well as British, from the country. But Mr. Healey and several friends said they could not serve in a cabinet pledged to a non-nuclear policy.

All through the conference ran a current of hostility. The constituency representatives — the party activists, who are predominantly left-wing — reacted furiously to being outvoted by the unions. Many said openly that they would refuse to move against the militants, and many said they expected to be "betrayed" by the leadership on disarmament when the party manifesto was drafted.

The country will be watching carefully to see what happens next.

### Suharto Legalizes Role of Military in Government

Reuters

JAKARTA — Indonesia's armed forces, for long the effective power base in a nominal parliamentary democracy, have for the first time gained a legal basis for their role.

President Suharto quietly signed four bills last week covering basic defense and security policies, volunteer services, conscription and military reserves, and on Saturday he swore in a new legislature dominated by the armed forces.

"In two years you will certainly be back," a supporter shouted to Mr. Schmidt from the crowd. The next regularly scheduled elections are in 1984.

#### Talks With Mitterrand

A Christian Democratic spokesman said Sunday that Mr. Kohl would fly to Paris Monday for discussions with President François Mitterrand to stress his wish for continued close relations with France. United Press International reported.

Mr. Schmidt had an especially warm relationship with Mr. Mitterrand, and the French president was reported to be concerned at the change of government in West Germany.

## Chancellor Promises 'Friendly' Ties to U.S.

The Associated Press

**BONN** — Chancellor Helmut Kohl said Sunday that he will work to stabilize NATO and assure the United States that West Germany remains a reliable partner.

"The Americans must know they have true friends," Mr. Kohl said in a television interview, which was taped and released to the media in advance. "There have been many irritations recently."

Mr. Kohl, who was elected chancellor Friday, said he would work for "reasonable, friendly and partnership-like" relations with the United States.

"We conceive of the NATO alliance not as a military alliance, but rather as a community of ideas of people with the same concept of freedom and human rights," he said.

Mr. Kohl also said that he would work to ensure that conflicts between Europe and the United States, such as the recent dispute over the Soviet gas pipeline to Western Europe, "will no longer be possible."

"But I think that from this incident above all we must learn one thing, that we in the European community must consult with our American friends before making such decisions," he said.

Mr. Kohl, a Christian Democrat, was elected by the Bundestag as deputies voted to oust Helmut

### Musician Gould Hospitalized After A Severe Stroke

Reuters

**TORONTO** — Glenn Gould, who abandoned a brilliant career as a concert pianist in 1964 and became a virtual recluse, has had a severe stroke and is in serious condition, according to his family.

Mr. Gould, who turned 50 on Sept. 25, was stricken last Monday at his home in Toronto but the news was not disclosed until Friday.

The pianist, noted particularly for his interpretations of Bach and the romantic composers, had continued to record and compose after ending his public performances.

It was not immediately known whether there was any paralysis from the stroke. The family statement said Mr. Gould had been taken to a hospital. "He is ... in the intensive care unit and it is too early to determine if there will be any residual problem," the statement said.

The guest workers were originally welcomed in the boom economic years of the 1950s and 1960s. But as employment has climbed to 7.4 percent, many Germans now believe the foreign workers are taking jobs away from them.

On Saturday, 7,000 people chanting "Helmut, Helmut" turned up at Mr. Schmidt's house in Hamburg in a demonstration of support.

"In two years you will certainly be back," a supporter shouted to Mr. Schmidt from the crowd. The next regularly scheduled elections are in 1984.

#### Talks With Mitterrand

A Christian Democratic spokesman said Sunday that Mr. Kohl would fly to Paris Monday for discussions with President François Mitterrand to stress his wish for continued close relations with France. United Press International reported.

Mr. Schmidt had an especially warm relationship with Mr. Mitterrand, and the French president was reported to be concerned at the change of government in West Germany.

## Haughey Is 'Confident Of Winning Party Vote'

United Press International

**DUBLIN** — Prime Minister Charles J. Haughey said Sunday that he was "absolutely confident" he would defeat a bid to oust him as leader of Ireland's ruling Fianna Fail party.

"I welcome the decision to settle the issue once and for all," Mr. Haughey said in a radio interview.

Charles J. McGreevey, a rank-and-file member of the Dail, or parliament, has asked for a vote within the Fianna Fail parliamentary group when it meets Wednesday. Mr. McGreevey said he is challenging Mr. Haughey because the vast majority of the party and the country wanted an end to "government by deals and political strikes."

The move was the second challenge to Mr. Haughey's leadership since he became prime minister on March 9. In July, he survived a vote on a no-confidence motion introduced by the opposition Fine Gael party.

#### No Backing Off

In a reference to the earlier challenge, Mr. Haughey said: "This time, they are going the full course. No more going to the tapes and backing off."

Mr. Haughey, 57, took power in a so-called palace revolution that forced Prime Minister Jack Lynch to resign in 1979. Since then, Mr. Haughey has had to contend with a dissident element within his party that had backed Mr. Lynch and opposed him as Mr. Lynch's successor.

#### That's Intercept Czech Plane

The Associated Press

**BANGKOK** — Two Thai F-5E fighter planes intercepted a Czechoslovak commercial airliner over northern Thailand Friday and escorted it to Bangkok where it was searched, a Royal Thai Air Force spokesman said Sunday. The plane was later allowed to resume its flight. The reason for the search was not reported.

cessor. He has been under fire for his economic policies.

"I want this thing to foursquare," said Mr. Haughey. "No more shilly-shallying."

The national executive of Fianna Fail, the body that runs the organization, was summoned to Monday on the situation.

## Soviet Group Asks Brezhnev to End Shcharansky's Fast

United Press International

**MOSCOW** — A group of Soviet human rights activists appealed to President Leonid I. Brezhnev Saturday to prevent Anatoli Shcharansky from starving to death or hunger strike.

The friends and close ones of Anatoli Shcharansky turn to you to sign the statement," said Anatoli Shcharansky's letter-writing project.

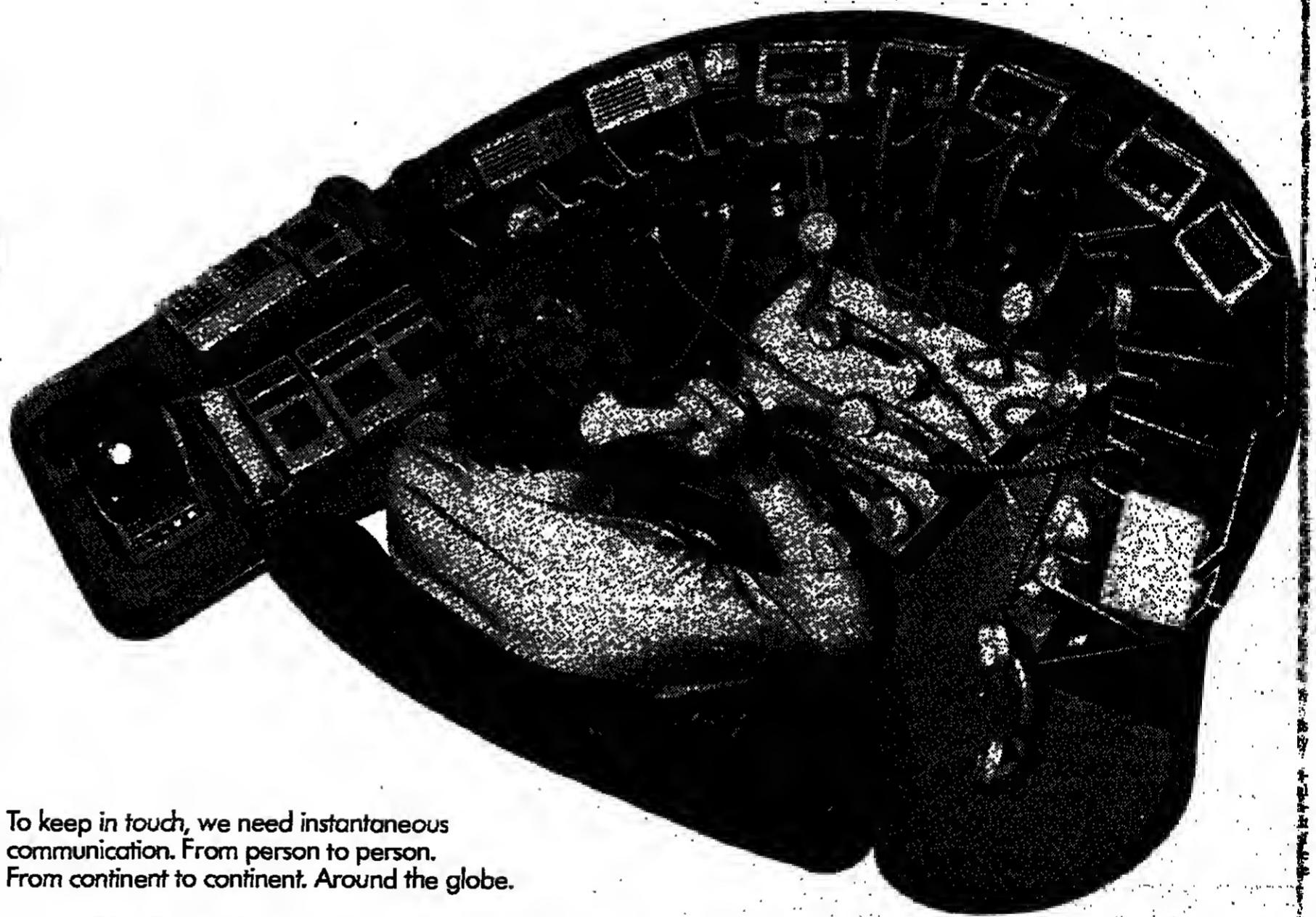
"The 29 men and women who signed the statement said they the prison authorities' ban on

the letter-writing project was "an illegal prohibition."

Mr. Shcharansky began the fast to protest the authorities' refusal to allow him to send letters to relatives or communicate with the outside world, his mother, Ida Milgrom, said. There has been no word on Mr. Shcharansky's health since he began the hunger strike but Mrs. Milgrom said she understood he would be force-fed. She said he was "a literal skeleton when the last saw him in January."

Mr. Shcharansky, 34, a former computer programmer, had sought to emigrate to Israel before he was sentenced in 1978 to 3 years in prison and 10 years in labor camp on charges of espionage. His prison sentence was extended to 10 years.

## Conversation pieces.



To keep in touch, we need instantaneous communication. From person to person. From continent to continent. Around the globe.

Krupp technology offers magnet system components indispensable in telecommunications, instrumentation and control, entertainment electronics and the automotive industry. Nearly 40% of Europe's telephone receivers, for instance, contain Krupp magnets putting the world at your fingertips. Another pacesetting Krupp technology:

Engaged in mechanical engineering, industrial plant design and construction, electronics, steel, shipbuilding and international trade, Krupp offers innovative technol-

ogy and engineering worldwide that speaks to future growth.

Why not give us a call?

For further information please write to:  
Fried. Krupp GmbH, StA Vertriebsförderung/Werbung,  
Altendorfer Strasse 103, D-4300 Essen 1.

Krupp. A tradition of progress.



KRUPP

JOHN INSTITUTE

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## A Dialogue of Fear

Whatever their actual words in meetings last week and again Monday, what are Secretary of State George Shultz and Foreign Minister Andrei Gromyko saying to each other? I can pretty well guess.

Gromyko: We don't think you want to deal with us as equals. Some of you expect an economic collapse. Some of you prefer a wage cold war to hasten the collapse. Most you pine to achieve military superiority.

Gromyko: Our vital interests are clear and yet you threaten them.

Shultz: Our vital interests are clear and yet you threaten them.

Shultz: If your friends can be helped only by invasion and putsch and terrorism, we can hardly be blamed for helping ours to defend their sovereignty and stability.

Gromyko: They cannot be rules that let the United States patrol the seas and continents up to our frontiers, while we are "contained." The Soviet Union has as much right to help its friends as you have to help yours.

Shultz: If your friends can be helped only by invasion and putsch and terrorism, we can hardly be blamed for helping ours to defend their sovereignty and stability.

Gromyko: Our vital interests are clear and yet you threaten them.

Shultz: Our vital interests are clear and yet you threaten them.

Call it sterile negotiation or mere disputatious, a search for décalage or excuses for cold war, the argument has been much the same since Sputnik circled the earth 25 years ago this week. That first satellite signaled the permanent vulnerability of the Soviet and American peoples to each other's missiles. The fears thus generated still dominate their politics and have never been assuaged for long.

A symmetry of fear does not imply a balance of right and wrong. The persisting anxieties to oot justify every kind of response. But they do mean that the arms control agreements and other major understandings of the last two decades are not taking root. And the palpable mistrust means that no new negotiations can succeed until the two governments are able to define the foremost interests to be served.

The essential division of Europe — is it to be maintained or perpetually challenged? And if defied, by Poles or West Germans, how are the superpowers to respond? Can rivalries elsewhere be contained and confined to nonmilitary action? And if the nuclear arms race is to be halted, precisely what is a stable balance among asymmetrical arsenals?

Until these questions appear on the agenda, nothing hopeful will have been said.

— THE NEW YORK TIMES.

## Instability in Bonn

With the fall of Helmut Schmidt's government, West Germany embarks on a period of uncertainty maneuvering and instability. The new chancellor, Helmut Kohl, is a competent and experienced politician who is unlikely to make large and sudden changes in basic policies. But whether he sits firmly in the saddle very much an open question.

The vote of no confidence and the installation of Mr. Kohl were the climax of a long campaign of parliamentary intrigue and maneuvering of a sort that West German voters do not much like. Mr. Schmidt has denounced his former partners, the Free Democrats, for switching sides without first going to a national election. That reproach is likely to have resonance throughout the country, where was sharp division among Mr. Kohl's conservative supporters on this point, and the Free Democrats themselves split over it. All West German politics through the coming fall and winter will revolve around the elections that are now scheduled for March. The FDP's stake in the timing of the elections is survival. Polls indicate that if the

— THE WASHINGTON POST.

## Other Opinion

### Irisly Vertigo in Iran

The giddy case with which lives are snuffed in revolutionary Iran is by now an old story. [It speaks] depressing volumes about the state of Iran, volumes that defenders of the late shah can read with smug satisfaction.

— The Pittsburgh Post-Gazette.

### he 'Jews' of Beirut

The place in which a population takes refuge, the place where it is corralled, shut in, it of — such a place is called what? A ghetto. A punitive raid that spares neither women nor old people nor children, and during which the raiders carry out a blind massacre, called what? A pogrom.

Persecutions like that have been inflicted on all the minorities of the world. But in the collective memory they are associated with that? With what the Jews suffered in Russia, a start. In Beirut, in the camps of Chatila and Sabra, at least a thousand Palestinians and themselves in that situation. In their turn they suffered a pogrom. They were the 'ew's' of their slaughtered.

— Le Nouvel Observateur (Paris).

### hancellor Kohl's Turn

Any West German chancellor is primarily digged abroad, in the East as well as the West, by his steadfastness on defense issues, and on this count Herr Schmidt has thoroughly earned both the irritation of Moscow and the gratitude of his NATO partners. His termination, unbroken to the end, to accept, if need be, the new generation of cruise and Pershing missiles on West German soil,

— Frankfurter Rundschau (Frankfurt).

After the pro-Soviet Schmidt administration leaves the political scene, the atmosphere between East and West will grow tenser.

— Tokyo Shimbum.

### OCT. 4: FROM OUR PAGES 75 AND 50 YEARS AGO

#### 1907: Tensions in Cuba

PARIS — Today's editorial in the Herald says: "Labor conflicts evidently find a congenial soil in Cuba. At the present moment, industry in Havana is paralyzed by strikes, involving the railway employees, masons, par-boom makers, the women engaged in the cigar factories, lithographers and even the cosmetics makers. The various parties in struggle between capital and labor are tiring to entertain the idea of any compromise, and it is feared that grave disturbances may take place when some 'strike-breakers' arrive from Boston. Fortunately for civic and foreign interests, the government of the island, under Governor Magoon, is in strong and capable hands."

#### 1932: Roosevelt's Evolution

PARIS — Governor Roosevelt's power speech was easily the best of his Western trip. It was based on a genuine familiarity with the material under discussion; it is factual; it rings true. As governor of New York, he not only inherited Alfred E. Smith's power policies, but came to grips with the problem of applying them. After campaigning furiously upon a vague and emotional water-power issue and appointing a radical or two to the Port Authority, he abandoned the grandiose schemes of state distribution with which both former Governor Smith and he had flirted, and turned toward an accord with the existing agents of distribution. His federal policies reflect the same trend of thought.

JOHN HAY WHITNEY (1904-1982), Chairman

KATHARINE GRAHAM and ARTHUR OCHS SULZBERGER, Co-Chairmen

LEE W. HUEBNER, Publisher

Executive Editor

Editor

Deputy Editor

Associate Editor

Carlo GEWIRTZ

ROLAND PINSON

Associate Publisher

Director of Finance

FRANCOIS DESMAISON

Director of Circulation

RICHARD H. MORGAN

Associate Editor

International Herald Tribune, 181 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France. Telephone 747-1265. Telex 612716 (Herald). Cables Herald Paris.

Directeur de la publication: Walter N. Thayer.

Général Manager, Asia: Alan Lecour, 24-34 Hennessy Rd, Hong Kong. Tel. 3-28 36 18. Telex 61170.

S 4 au capital de 1 300 000 F.R.C.S. Nantaise 2 73202126 Long Island City, N.Y. 11101.

S 256 yearly. Second-class postage paid at Long Island City, N.Y. 11101.

1982, International Herald Tribune. All rights reserved.

## A Nuclear Blackout That Needs Lifting

By James Reston

**WASHINGTON** — After a two-month summer recess, the U.S.-Soviet talks on the control of nuclear arms have resumed in Geneva. It would not be unreasonable to say that these may be the most important diplomatic negotiations of our time, or any time. The odd thing is that so few people know anything about them.

This is not because there is a conspiracy of silence. Nothing would be more damaging to the success of these talks than daily briefings by the ambassadors for reporters outside the door.

There is a problem, however. Both sides have agreed to keep the details of their day-to-day discussions private, but they have also agreed that the broad principles of their negotiations and the way the talks are going should be made public.

They have been faithful to this on the whole, but there has been very little analysis in the American press or even in the universities about their different approaches to a question that involves the peace of the world and maybe even the future of the human race.

The renewal of the nuclear talks in Geneva was ignored in most American newspapers. When Eugene Rostow, director of the U.S. Arms Control and Disarmament Agency, recently made a brilliant address to the Los Angeles World Affairs Council defining the conflict at Geneva, his remarks were not even reported, let alone analyzed, in most of the serious publications in America. The question is not whether the U.S. or the Soviet approach to the control of nuclear weapons is right, but why they are not discussed as carefully as President Reagan's economics, or the strike conflict between pro football players and owners.

One reason is that the atomic issues are so technical and complicated that they are beyond the understanding or even the imagination of most people. The United States and the U.S.S.R. both now have approximately 7,500 ballistic missiles, enough to blow up the world several times over, and there is endless argument about the comparative advantages of land-based missiles or sea-based missiles, multiple warheads, "smart" cruise missiles and other mysteries.

The U.S. diplomats at Geneva claim that America is behind the Soviet Union in the development of many atomic missile systems. The Soviet diplomats insist that they are behind the United States in other nuclear weapons.

It reminds me of an argument during the last world war when the late Adlai Stevenson, then in the Navy Department, was talking to a Soviet diplomat about the delivery of supplies to Moscow. Mr. Stevenson protested that the Soviets were behind in defining what supplies they needed. The Russian complained that Washington was behind in delivering the goods. "I have not come here," the Russian diplomat said, "to discuss my behind but to discuss your behind."

According to the experts, most of whom nobody knows, and this is also true of the press and the universities, which are not concentrating on the control and spread of nuclear power and nuclear wastes, although this may be the most important question for the preservation of the civilization that these institutions presume to represent.

At least a few American newspapers have spent much thought and money on the education and training of reporters to cover the tangles of economics or the law, and to master the languages of the changing world they have to cover, but most of them have done very little to train people to watch and report on the growth, the possibilities and the dangers of atomic power. This may be the most important "heat" in the journalistic and scientific world today.

Similarly, at least some of America's best universities have schools of Soviet studies and African studies — oddly few on Middle Eastern or Latin American studies — but none, to my knowledge, on atomic studies. There are

some classes — for example at Stanford University among other places — on "arms control." These have proved to be popular. But, in general, the instruction is sadly inadequate to the requirements of the nuclear age.

The U.S. diplomats at Geneva claim that America is behind the Soviet Union in the development of many atomic missile systems. The Soviet diplomats insist that they are behind the United States in other nuclear weapons.

It reminds me of an argument during the last world war when the late Adlai Stevenson, then in the Navy Department, was talking to a Soviet diplomat about the delivery of supplies to Moscow. Mr. Stevenson protested that the Soviets were behind in defining what supplies they needed. The Russian complained that Washington was behind in delivering the goods. "I have not come here," the Russian diplomat said, "to discuss my behind but to discuss your behind."

According to the experts, most of whom nobody knows, and this is also true of the press and the universities, which are not concentrating on the control and spread of nuclear power and nuclear wastes, although this may be the most important question for the preservation of the civilization that these institutions presume to represent.

At least a few American newspapers have spent much thought and money on the education and training of reporters to cover the tangles of economics or the law, and to master the languages of the changing world they have to cover, but most of them have done very little to train people to watch and report on the growth, the possibilities and the dangers of atomic power. This may be the most important "heat" in the journalistic and scientific world today.

Similarly, at least some of America's best universities have schools of Soviet studies and African studies — oddly few on Middle Eastern or Latin American studies — but none, to my knowledge, on atomic studies. There are

The New York Times.

## When the Kremlin Battens Down The Hatches

By Dusko Doder

**MOSCOW** — There are times when the Russians are eager to convince everyone, including perhaps themselves, that they are joining the modern world. One such time came in 1980, before the Olympic Games in Moscow, when the Soviet Union introduced direct-dial telephone links with the rest of the world.

Two years later this cautious experiment in direct communication through the Iron Curtain has been choked off, in an apparent attempt to preserve isolation from the capitalist world. (Links with Eastern Europe continue uninterrupted.)

At the same time, the political police of the Committee for State Security, the KGB, have moved decisively against the few remaining political dissidents and Jewish activists, who have been warned in no uncertain terms that outspoken opposition will no longer be tolerated.

It is a coincidence that was, as Western analysts in Moscow say, no coincidence, the authorities have renewed pressure on foreigners who maintain contact with Russians. The harassments range from punctured tires to the detention of two Russians traveling in a Canadian diplomat's car.

Note of this is illogical in a society whose government seeks to control all channels of contact with the West. Without direct dialing, the KGB's technicians will have much less difficulty monitoring international calls.

Closer monitoring will allow the KGB to squeeze the channels between Soviet citizens, Westerners and Soviet émigrés in the West through which dissident ideas have reached Europe and America, from there to

be beamed back to the Russian people via Western radio stations.

It is puzzling that the authorities have taken a decidedly harsher stand at a time when it is increasingly difficult to speak of a dissident movement. What was called in the early 1970s the democratic movement, a loose coalition of several hundred intellectuals, exists no more. Its members are exiled, dispersed, jailed or demoralized. The informal circulation of typed, dissident manuscripts, which once flourished, has dwindled.

In the search for an explanation of this abrupt tightening-up, speculation has focused on the new KGB chief, Vitaly Fedorchuk. A no-nonsense professional who reportedly served as a KGB operative in Vienna in the early 1950s before moving to senior positions in Moscow and then in the

Ukraine, Mr. Fedorchuk may want to make his mark on the vast organization he has been heading since May.

As head of the Ukrainian KGB, he was close to the turmoil in neighboring Poland. He warned in an article last year against Western "ideological subversion" aimed at the "spiritual decomposition" of the Soviet Union.

But Western diplomats find this analysis only partially satisfying. No one official, and particularly not a political outsider like Mr. Fedorchuk, can make such an important decision.

A possible explanation is that the authorities have decided to stamp out political dissent altogether. While in the past Moscow's harshness toward deviation at home may have been inhibited by Western public opinion, Soviet-American relations have reached such a low point that West-

ern disapproval could have little leverage in Moscow, some speculate.

It is now 18 years since Leonid Brezhnev and his colleagues deposed Nikita Khrushchev. Mr. Brezhnev appears to have bounced back from his grave illness of last spring, but the party remains preoccupied with the succession question. The appointment of Mr. Fedorchuk to head the security apparatus may have been due to a desire in the Politburo not to give any political control over the KGB during the transition period.

Nobody pretends to know how long the transition period is going to last. But Western specialists believe that internal tightening suggest precautionary measures for stress and strains that are bound to come when Mr. Brezhnev leaves the

The Washington Post.

## Clipping Mideast Fuses

By W.W. Rostow

**AUSTIN**, Texas — Prospects for a peace in the Middle East depend in part on the future relations of the United States and Soviet Union with the region, including particularly the flows of arms.

Neither capital has cause to draw great satisfaction from its Middle Eastern policies, which date from 1955. In that year the Baghdad Pact was created under British leadership, but with U.S. support, linking Iran and Iraq to Turkey and Pakistan. This stemmed from the Korean War and was designed to deter a communist thrust into the Middle East.

Perhaps directly in response, perhaps to exploit an apparent opportunity, the Soviet Union leapfrogged the northern tier's new arrangement with its watershed 1955 arms deal with President Nasser.

Between 1955 and 1981 the United States sent perhaps \$24 billion in arms (at current prices of the day) to the Middle East; the Soviet Union sent about \$26 billion worth, excluding shipments from Eastern Europe and outlays during the occupation of Afghanistan. Aside from America's special connection with Israel and Turkey's membership in NATO, none of the relationships between the superpowers and the Middle Eastern countries has proved stable.

The reason for the costly but fruitless decades of contention is evident: that the countries and peoples of the region are dominated by national interests and passions that resist stable alignment with either the United States or the Soviet Union.

While the superpowers have sought to gain advantage, or to limit disadvantage, Middle Eastern governments have used each or both for their own purposes as they conceived them at different times. The political dynamics of the Middle East have decreed that neither Washington nor Moscow could be certain against whom its arms would be used.

Despite the extraordinary vicissitudes of the region, economy and the level of education have risen. National assertiveness and technological capacity will grow, and the prospects of hegemony under any external power will progressively decline.

An honest paper surveying the past 27 years and the future prospects, written by either the secretary of the Soviet Presidium or the National Security Council staff in Washington, would have to conclude that the interests of both powers would be better served by an agreement to jointly use their influence to encourage peace in the area, including parallel restrictions on the flows of arms. While the influence of both powers, when in contention, has proved tritatory or cosmetic, a joint effort of palpable integrity to encourage peace might be quite influential.

## Energy Dept. Assailed In U.S. Agency Report On Fiscal Management

By Judith Miller  
New York Times Service

WASHINGTON — Financial mismanagement and inadequate internal controls are rampant in the Department of Energy, according to new report prepared by the General Accounting Office, an investigative arm of Congress.

One of the most extensive reviews of the Energy Department's financial management practices, the study concludes that the lack of accounting and auditing controls has made the agency vulnerable to fraud, waste and abuse that could cost taxpayers millions of dollars a year.

The agency, which assigned 65 auditors to the study, found "significant control problems" at the department's headquarters and each of the four field offices it reviewed.

"Because of these weaknesses, we could not assure ourselves of the reliability of the data produced by the department's accounting system," the accounting office said.

### No 'Oversight' Solution

A spokesman for the Energy Department said Friday that she had not seen the report and therefore could not comment on its findings. At the same time, she acknowledged that there were significant accounting and control problems within the agency, but said that they were being corrected.

"These are difficult and time-consuming problems," said Constance C. Smart, the spokesman. "The secretary places high priority on solving them, but it can't be done overnight." James B.

## H.W. Janson, 68, Dies; Art Historian in U.S.

New York Times Service

NEW YORK — Professor H.W. Janson, 68, author of the best-selling "History of Art," and for more than 30 years professor of the history of art at New York University, died Thursday on a train between Milan and Zurich.

Mr. Janson was known to millions of readers in many countries for his richly illustrated "History of Art." First published in 1962, it was translated into 14 languages and is widely regarded as both an essential teaching instrument and a book that can be read and looked at with continual enjoyment.

His other books included "Apes and Ape Lore in the Middle Ages and the Renaissance" (1952) and "The Sculpture of Donatello" (1957), both of which won the Charles Rufus Morey Award that is given by the College Art Association for the best book of the year in art history. Selected writings were published in 1974 under the title "Sixteen Studies."

At the time of his death he was working on the publication of the Andrew W. Mellon Lectures that he had given at the National Gallery in Washington in 1974 under the title of "19th-Century Sculpture Revisited." He had also just completed his contribution to "Art of the 19th Century," a book of which Professor Robert Rosenblum will be co-author.

William Bernbach

NEW YORK (NYT) — William Bernbach, 71, the founder and former chairman of the Doyle Dane Bernbach advertising agency, died here of leukemia Saturday.

Perhaps more than any other person of his time, Mr. Bernbach changed the face of advertising in the United States, steering it away from the old clangorous, often vulgar, hard sell toward low-key, provocative and usually believable sales messages. "Think Small" were the only words on a full-page ad for Volkswagen, which pictured the tiny Beetle somewhere on a sea of blank space. "We Try Harder Because We're Number 2," was the slogan for Avis Rent a Car.

The agency he helped found in 1949 with less than \$50,000 in billings is today the 10th largest agency in the United States, with \$1.2 billion in annual billings.

"Creativity can be something talked about, like the weather or sex," Mr. Bernbach once said. "We really sweat at it here. We believe that good taste can be good selling."

## Police, Foes of Reactor Clash in West Germany

Reuters

KALKAR, Germany — Fighting broke out Saturday between police and demonstrators protesting the construction of a fast-breeder nuclear reactor near the West German border with the Netherlands.

After about 20,000 protesters gathered near the site, a police spokesman said, a breakaway group tried to storm a protective fence, throwing gasoline bombs, stones and bottles. Police in riot gear held them off with water cannons and tear gas, he said.

Edwards Jr. is the secretary of energy.

However, Representative Toby Moffett, a Connecticut Democrat who is chairman of a House subcommittee that has been investigating the department, said that the report raised questions about whether the agency could manage its \$23 billion budget effectively.

"No other administration in recent memory," Mr. Moffett said, "has talked so much and done so little to reduce wasteful government spending. Rather than addressing problems detailed in this report, the administration continues to attack vital social programs under the guise of reducing government waste."

### Criticism on Property

The report is especially critical of the department's \$1-billion property management activities. The department "does not have an effective system of recording managing and disposing of government property," the accounting office said.

The study found discrepancies of at least \$187 million between the department's accounting and procurement records at three locations, and considerable differences between department and contractor records.

In the Washington headquarters, investigators found two large letter-of-credit files, each with obligations of more than \$30 million. Such incomplete cost records had been maintained that the department was unable to determine the current cash balances, the study reports.

## Test Finds Few Want Electronic Newspaper

Technology Exists, but Not a Big U.S. Audience, Study by Industry Shows

By Jonathan Friendly  
New York Times Service

NEW YORK — The vast majority of Americans are not yet prepared to read the news each day on their home television screen, according to researchers who led a two-year newspaper industry experiment of that service.

Results of the experiment, described widely in the newspaper industry that while such services are technologically feasible, there is no mass audience to make them profitable, thus little incentive to develop them now.

In describing the experiment, known as CompuServe, Lawrence G. Blasko said, "There is no clear and present danger to the American newspaper industry from electronic delivery of information to the home, at least not in the present form of either electronic information or the newspaper industry."

Mr. Blasko is director of information technology for The Associated Press, one of the participating organizations. The others were CompuServe, a time-sharing computer network based in Columbus, Ohio, and 11 newspapers: The New York Times, The Washington Post, the Los Angeles Times,

The Minneapolis Star and Tribune, the San Francisco Chronicle, the San Francisco Examiner, The Columbus Dispatch, the Atlanta Journal and Constitution, the Middlesex (Mass.) News, The Norfolk Virginian-Pilot and Ledger-Star and the St. Louis Post-Dispatch.

Government and private studies have consistently predicted that consumers will eventually use a technology known as videotext to get information such as general news or stock prices or to do their banking and shopping. With videotext, customers use a computer linked to a television screen and a telephone or cable television network to search through a central information bank for what they want.

Most videotext trials have involved relatively small audiences, making it difficult to judge the potential demand or the mix of information that might be wanted as home computers come into wider use. The CompuServe Information Service had 28,000 customers when the experiment ended in June.

The customers, who paid \$5 an hour to connect to the central computer, were generally younger men in high-salary, white-collar jobs, a group substantially different from the country as a whole.

Users could get any of the articles the

newspapers or The Associated Press had carried. While some read their hometown newspapers electronically, others used the system for out-of-town dailies, particularly The Washington Post, The Los Angeles Times and The New York Times.

The study found decreasing interest in those electronic newspapers as the experiment progressed. In the last eight months, a third of the customers looked at an electronic newspaper only once, and the average time a customer spent with the newspaper dropped to five minutes.

A group of hard-core news readers, about 10 percent of the users, accounted for half of the sessions in which customers looked at newspapers or the AP report rather than using CompuServe to send one another electronic mail or to play video games.

That experience paralleled results of Knight-Ridder Newspapers' Viewtron service, offered in Coral Gables, Fla., last year. The Viewtron study found there may be a market for relatively specialized kinds of information, such as business news. The Dow-Jones News Retrieval system says it has 47,000 customers for its business and economic information, stock market quotations and corporate histories along with more general news reports.

## Worldwide Slump Said To Spur Press Cuts

By Barbara Crossette  
New York Times Service

CHICAGO — A deteriorating world economy, leading to stringent government regulations, has added to the problems confronting newspapers in the Western Hemisphere, according to a report on freedom of the press issued last week by the Inter American Press Association.

According to the report, presented here last week to the annual general assembly of the association, journalists throughout the Western Hemisphere also face increasing political pressures, judicial challenges and a growing trend toward government licensing of reporters.

The association represents more than 300 publishers and editors from North, South and Central America and the Caribbean.

The report ranked Cuba, Haiti as the countries with greatest restrictions on the press, which singled out Guatemala, Honduras and El Salvador as three countries in which killings and disappearances of reporters increased. The report said that foreign correspondents worked in a "hostile" environment in El Salvador, and that in Guatemala, journalists

were a "hazardous" profession.

A newly emerging threat to journalists, the report said, was the use of drug trafficking operations.

Nicaragua's Sandinist government was criticized for its attack against newspapers. Several titles were forced to suspend publication, or had done so to govern rather than submit to government licensing of reporters.

In its assessment of the impact of a worsening world economy on the press, the report said growing government controls, foreign exchange and stiff port regulations were limiting the freedom of publishers in several countries.

The report ranked Cuba, Haiti as the countries with greatest restrictions on the press, which singled out Guatemala, Honduras and El Salvador as three countries in which killings and disappearances of reporters increased. The report said that foreign correspondents worked in a "hostile" environment in El Salvador, and that in Guatemala, journalists

## Troubled UPI News Agency Plans Improvements Worth \$20 Million

New York Times Service

DENVER — United Press International, the second-largest U.S. news agency, has announced a \$20-million program to enlarge its newsgathering efforts and to improve its communications systems.

Spokesmen for the financially troubled agency said Saturday it had signed \$1.5 million in new contracts with newspapers, added \$800,000 in broadcasting business and reduced the rate at which it had been losing business.

The announcements came at the close of UPI's 23d annual meeting of the editors and publishers who are its clients. They had been waiting for a detailed explanation of the plans for the service since the E.W. Scripps Co. of Cincinnati sold the news agency four months ago to a group of four investors who are operating as the Media News Corp. based in New York.

UPI and its rival, The Associated Press, are the primary source of articles and pictures about domestic and foreign events for most newspapers and broadcasting organizations in the United States.

In a heated session Thursday with a policy advisory board representing newspaper clients, the owners were closely questioned about the sources of their finances, their ability to underwrite future losses and whether they planned to redirect the service from newsgathering toward electronic information processing.

On Saturday, editors said that session had lessened suspicions about the motives and plans of the new owners.

Facing their clients Saturday morning, the new owners said they expected to restore the service, which has annual gross revenues of \$10 million, to profitability within three years. UPI will not say how much it is now losing but asserts the size of the loss has been steadily dropping.

The owners said they believed the switch to satellite communications, already in progress, would save \$6 million to \$7 million a year now paid to lease domestic telephone lines from the American Telephone and Telegraph Co.

The agency also said it was opening 14 news bureaus and 6 picture bureaus. These bureaus will not substantially increase operating costs, however, the company said, because they are being staffed largely with reporters and photographers from other UPI bureaus.

All passport applicants under 18 will be charged a total \$27 — the base fee is increased from \$10 to \$20 and the execution fee is \$7.

However, the passport for 18-year-olds or younger will retain a five-year validity "since their appearance changes more quickly," the department said.

## U.S. to Extend Life Of Passports, But Raise Their Cost

United Press International

WASHINGTON — The State Department will double the life of passports to 10 years, but in an effort to cover mounting costs of services to travelers, it will raise the base fee for the document from \$10 to \$35, officials announced.

Inflation and the costs of greater government services to U.S. travelers long have outrun the \$10 fee, officials said.

Americans with valid five-year passports may use them until expiration, then obtain a 10-year issue for a base \$35. Some applicants are required to appear in person to swear to the truth of the information they provided and are charged an execution fee. This will be increased from \$5 to \$7.

All passport applicants under 18 will be charged a total \$27 — the base fee is increased from \$10 to \$20 and the execution fee is \$7. However, the passport for 18-year-olds or younger will retain a five-year validity "since their appearance changes more quickly," the department said.

## LOOK INTO SINGAPORE 1986

The Ultimate Meeting Space

WESTIN HOTELS

WIR 9TC,  
United Kingdom; in  
Tokyo, Yurakucho Bldg.,  
#405, 1-10-1, Yurakucho,  
Chiyoda-ku, Tokyo 100, or  
Lund TELEX 22144;  
Tokyo TELEX 2224507.

WESTIN HOTELS

LIMITED ZURICH SBV 13821

**The key Swiss bank has a simple recipe for its worldwide success: Experience, intelligence and training, training.**

A computerised real-time banking network is all very well. But where would it be without the man-and-woman-power that keeps the key Swiss bank ticking all around the clock?

That's why Swiss Bank Corporation has more than 70 full-time instructors. To give our staff the best possible training.

Trade finance. Loan business. Foreign exchange. Underwriting. Investment management. All the various aspects of international banking. Our people are thoroughly trained, so they know banking business inside-out.

Call us. Our trained specialists hold the key to quality banking.



**Swiss Bank Corporation**  
Schweizerischer Bankverein  
Société de Banque Suisse

**The key Swiss bank**



General Management in CH-4002 Basle, Aeschenvorstadt 1, and in CH-8022 Zurich, Paradeplatz 6. Over 190 offices throughout Switzerland. Worldwide network (branches, subsidiaries and representatives): Europe: Edinburgh, London, Luxembourg, Madrid, Monte Carlo, Paris. North America: Atlanta, Calgary, Chicago, Houston, Los Angeles, Montreal, New York, San Francisco, Toronto. Latin America: Bogotá, Buenos Aires, Caracas, Lima, Mexico, Panama, Rio de Janeiro, São Paulo. Caribbean: Grand Cayman, Nassau. Middle East: Bahrain, Cairo, Tehran. Africa: Johannesburg. Asia: Hong Kong.

**«Wine is meant to be enjoyed, not analyzed to death.»**

The Herald Tribune's new book by Jon Winroth makes light of wine snobbery—but sparkles with facts

This quotation is from Jon Winroth's new and highly professional book, in which he rejects the windy pontification so often associated with wine buying, wine tasting and wine serving.

Witty, chatty, and often irreverent, this is a book of our time. For those who know wines and those who don't, there's much to be learned from **WINE AS YOU LIKE IT**. Order a copy today for yourself—and some extras while you're at it. A perfect gift, for friends or family.

**INTERNATIONAL Herald Tribune**  
Published with The New York Times and The Washington Post

Wine as you like it  
\$18.00 or equivalent in any convertible European currency—plus postage: in Europe, please add \$1.50 or equivalent for each copy; outside Europe, please add \$4 or equivalent for each copy.

Please send me \_\_\_\_\_ copies of **WINE AS YOU LIKE IT**.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City and Code: \_\_\_\_\_  
Country: \_\_\_\_\_

Phone: \_\_\_\_\_  
Telex: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

140 Years of Service  
Hospitality & Tradition.

**SAVOY HOTEL**  
BAUR EN VILLE  
ZURICH

Luxurious atmosphere and ideal situation on the world famous Bahnhofstrasse.

Parc des Plots  
2023 Zurich

Tel. (01) 211 53 40  
Fax: 212 845 0000

*Some News About the*

THE GLOBAL NEWSPAPER  
Edited in Paris  
Printed Simultaneously  
in Paris, London, Zurich,  
Hong Kong and Singapore

# Herald Tribune

INTERNATIONAL

Published With The New York Times and The Washington Post

No. 30,986

SINGAPORE, MONDAY, OCTOBER 4, 1982



ESTABLISHED 1887

## IHT Expands in Asia With Singapore Edition

### Paris to Singapore At the Speed of Light

The International Herald Tribune is using the most advanced communications technology to prepare its pages in Paris and transmit them to Singapore. Each night, the Trib is put together in Paris by a fully computerized editing and typesetting system. A positive proof of each completed page is then attached in the drum of a facsimile transmission machine. The drum spins at a speed of 3,600 revolutions per minute, allowing an electric eye to convert black and white impressions into electronic impulses. These impulses are sent by wire to a space relay station in Britain.

The electronic signals are then beamed to an Intelsat IV-A communications satellite placed 23,000 miles above the Indian Ocean, and from there to a giant receiving dish operated by Telecoms in Singapore.

From the receiving dish, the signals travel by wire to the printing plant of Nanyang Siang Pau, where they are converted into black and white impressions on a page-size film negative.

It takes just four minutes to send a typical page from Paris to Singapore. The link allows for the transmission of 56 kilobits — or 56,000 binary figures — per second. This means that the Singapore presses can be rolling at the same time as the other IHT presses in Paris, London, Zurich and Hong Kong.

The IHT has been printing in Paris since 1887, but its London and Zurich printing operations date from 1974 and 1977, respectively.

The London and Zurich links are made entirely by cable rather than by satellite. The equipment used in the process includes Muirhead Gafac transmitters and a CTC Alcatel integrated-circuit modem.

The IHT's Hong Kong satellite edition, launched in September 1980, marked the first time that a daily newspaper was printed simultaneously on two continents.

A second recent revolution in IHT technology occurred in 1978 with the installation of an electronic, computer-controlled editing and typesetting system. In the course of a single weekend, the IHT leaped technologically from the 19th century to the 1990's, becoming one of the most modern newspapers in all of Europe. The new Singapore printing continues this tradition of technological innovation.



The International Herald Tribune chronicles all the daily news made by today's leading political figures. And world leaders not only appear in the IHT, many have authored articles for its pages.

### Trib Presents Not Only News But Views

On its news pages, the International Herald Tribune strives to present the facts as clearly and objectively as is humanly possible.

But its editorial page is a different story; this is a forum for other points of view and many shades of opinion.

Day after day, political analysts, columnists, guest writers from around the world present their theories and state their opinions to a world audience in 164 countries.

Prize-winning columnists including James Reston, George Will, Flora Lewis, Joseph Kraft, Anthony Lewis, David Broder and Tom Wicker appear frequently.

Cartoonists also are Trib edit-page regulars, skewering pomposity with deadly penstrokes. Mauldin, Oliphant, MacNally, Herblock are all IHT regulars.

Because its readers are anxious to know about the American point of view on the flow of world affairs, the IHT regularly reprints editorials from the New York Times and Washington Post — and carries roundups of editorial opinion from other world newspapers as well.

Readers respond, sometimes with heat, often with intellect, and occasionally with whimsy, in the Trib's eagerly read Letters column.

And there's something special for readers in almost every daily issue:

Says IHT Business Editor Wil-

#### • The Insights page on Wednesday analyzing major world trends with several in-depth studies.

#### • Science and Technology every Saturday.

#### • Arts and Antiques, every Saturday.

#### • A special Style page one Thursday each month.

#### • Weekend, a four-page leisure section each Friday, including a new, two-page World Travel spread.

## IHT Has Doubled Business Coverage

liam McBride, "The Trib has just about doubled the daily space it devotes to business news over the past two years. We have added journalists to cover the world business scene, reorganized our tabulations so we can run more of them and also present them more legibly, and increased the depth and frequency of coverage of the industries, companies and corporate executives shaping economic trends."

#### Six Day Schedule

"On Monday, for instance, Carl Gwertz Eurobond column has become required reading for the international financial community. Our new Business People column keeps readers up to date on changes taking place in executive suites around the world. We've just started a new investment strategy column once a week by Edward Rohrbach. And we also carry regular weekly analyses on subjects such as money supply and currency rates."

The IHT is the only international newspaper to run all last night's closing Wall Street prices on a next-morning basis. Friday's edition always appears in the Trib's Sunday paper; there's no need to wait until Monday morning to get Friday's final listings. And the six-day-a-week schedule means 20 percent more news each week than in similarly-sized five-day a week newspapers.

In addition, the Trib's several page tabular section includes reports on world currency rates, commodity prices, dividends, reports, company earnings, mutual funds, floating-rate notes, and a roundup of all the major international bourses. And the weekly comprehensive listing of Eurobond editions is an IHT exclusive.

When the New York Herald Tribune ceased publication in the mid-1960's, Whitney persuaded first The Washington Post and then The New York Times to join in a new, three-way ownership of his Paris publication. In 1967, the paper was re-named "The International Herald Tribune" and the new Reids sold both the New York Herald Tribune and its European edition to John Hay Whitney.

The paper quickly carved itself a niche as required European reading. Two hundred copies each day went to the palace of the Russian czars (as today copies go regularly to the Kremlin). Travellers passing through Europe left their trip incomplete if they didn't stop at the Trib's avenue de l'Opera business office and sign the traditional guest register there.

Bennett's formula for a good newspaper was "Names, names, names. News, news, news." During the First World War he found himself perhaps closer to the news than he might have preferred, as German troops approached Paris, and other publishing organizations evacuated to Bordeaux.

Bennett decided to stay. "The paper comes out," he said. His reporters would visit the battlefield on the Marne and then walk back to Paris to file their stories. Despite censorship, the paper did not miss an issue.

### Trib Born 95 Years Ago



James Gordon Bennett, Jr.

It was exactly 95 years ago on October 4, 1887, that James Gordon Bennett, Jr., the owner of the prestigious New York Herald, launched its Paris edition.

A colorful and eccentric American expatriate, Bennett steered his newspaper through an exciting era. During La Belle Epoque, the European continent was the center of power and confidence; its leaders reaching out to make contact with, and sometimes to confront, leaders from China, Japan and Russia.

Bennett realized this era was marked by a spreading up of communication and he succeeded in bringing a host of publishing innovations to Europe, including the linotype, half-tone engraving of news photographs, the first trans-Atlantic news wire and the first comic strips.

The paper quickly carved itself a niche as required European reading. Two hundred copies each day went to the palace of the Russian czars (as today copies go regularly to the Kremlin). Travellers passing through Europe left their trip incomplete if they didn't stop at the Trib's avenue de l'Opera business office and sign the traditional guest register there.

Bennett's formula for a good newspaper was "Names, names, names. News, news, news." During the First World War he found himself perhaps closer to the news than he might have preferred, as German troops approached Paris, and other publishing organizations evacuated to Bordeaux.

Bennett decided to stay. "The paper comes out," he said. His reporters would visit the battlefield on the Marne and then walk back to Paris to file their stories. Despite censorship, the paper did not miss an issue.

Reids Buy IHT

Bennett did not live to see the allies' victory; he died on May 14, 1918. The black-bordered issue of the Trib appearing the next day marked the first time that his own name had ever appeared in the paper. In 1924, the Ogden Reid family bought the New York Herald and its Paris offspring, and merged them into the venerable New York Tribune which traces its own histo-

Culture and Sports

Trib cultural coverage includes film and theater, food and wine, music and dance — with scintillating personality profiles from Mary Blume, and with Hebe Dorsey contributing columns on fashion and

style which are globally influential and invariably delightful.

All the world's major sports are captured on the paper's sports pages. The stars are profiled; the matches detailed in text and in stadium photographs. In Asia, the IHT is often the only daily newspaper to report American boxscores in game-by-game detail.

All the family enjoys the Trib's comics page. Doonesbury, Peanuts, Andy Capp — the world favorites are all there. Plus a tough daily crossword puzzle, frequent chess problems, mind-stretching bridge hands, book reviews and a jumble puzzle for word addicts.

The IHT tells you what you need to know. But it also offers you a daily change-of-pace.

ry back to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

to the great American editor of the mid-19th Century, Horace Greeley.

The paper survived the frenzy of the Twenties and the Depression of the Thirties, but succumbed

# Future Leadership, Direction of Prosperous City-State Worries Lee

**Herald Tribune**  
INTERNATIONAL  
Published With The New York Times and The Washington Post

OCTOBER, 1982

## SINGAPORE

### AN ECONOMIC PROFILE

#### Economy Vulnerable To Ripple Effects Of World Recession

**SINGAPORE** — At the end of the second quarter this year, Singapore's gross domestic product showed inflation-adjusted growth of 5.7 percent from a year earlier. That was enviable by most countries' standards but Singapore's lowest in six years.

The dramatic descent from the heady double-digit growth rates of recent years has brought a fair share of gloom on the home front.

Prime Minister Lee Kuan Yew in his eve of national day message in August warned that Singapore could end up with less than 5 percent growth if there is prolonged weakness in the U.S. economy.

"The Singapore economy can stand recession in America and Europe for one or two more years, but no longer," he said.

The reasons are obvious. More than 70 percent of Singapore's trade is with the major industrialized countries.

Its economy is unusual in that external trade is three to four times the value of gross domestic product. In many developed nations trade equals about 10 percent to 12 percent of gross domestic product. Only Hong Kong is seen as more vulnerable to external economic pressures.

The ripple effects of continuing worldwide recession reached Singapore in earnest during the first quarter of 1982 when the economy grew only 7.9 percent. Economic growth in 1981 had registered 9.9 percent, while the previous year recorded 10.2 percent.

#### Export Markets Mixed

Singapore was able to weather the recessionary storm longer than many countries because of its spread of markets.

When the recession hit Singapore's European markets in 1981, for instance, the effects were partially mitigated by a sudden burst of strength in the U.S. economy in the first half of 1981, which lasted to the third quarter. At the same time, exports to Japan, Singapore's biggest trade partner, and Malaysia remained strong.

Exports to Japan in the first half of this year are still 500 million Singapore dollars more than in the same period last year.

Between 1978 and 1981 Singapore's exports to Japan doubled to 4.5 billion Singapore dollars, much of the increase due to petrochemical products. Imports also almost doubled in the same period.

Tony Tan Keng Yam, trade and industry minister, said recently, "The effects of the world recession are only beginning to be felt this year when all our export markets are either in recession or have slowed down and world trade has stagnated."

Shipping, trading and commodity sectors are feeling the recessionary pinch worst, as some areas of the manufacturing sector, particularly consumer electronics items like radios and television sets.

Industrial electronics, on the other hand, is still showing some strength, although it represents less than 10 percent of Singapore's electronics industry.

Overall manufacturing output, which showed a 13 percent advance in the second quarter of last year, declined almost 5 percent in the second quarter this year, the first negative growth in six years.

#### Construction Booming

Counteracting much of the gloom has been the surge in construction activity, much of it encouraged by government funding for public housing. This resulted in a second quarter construction growth rate of 38 percent, nearly three times the rate in the same period last year.

This performance is the reason Singapore's second quarter gross domestic product growth was able to top 5 percent. If the construction sector were excluded, growth would not have reached even 4 percent.

Intensification of the public housing program is one of four government proposals to make sure the economic recessionary period is put to good use.

Mr. Tony Tan said, "If we miss the opportunity afforded by the present recession, then we will lose time and will have to wait until the next downturn in the business cycle in six to eight years time before we can tackle these tasks."

The other three proposals are:

- Strengthening Singapore's export drive. This includes setting up a trade board to boost exports.
- Upgrading the skills of the labor force, particularly the 600,000, or 57 percent, with only primary education or none at all.
- Paving the way for a return to normal collective wage bargaining.

The accelerated public housing projects, and other major public sector projects, such as the \$5 billion Singapore-dollar mass rapid transit system, and the \$420-million, 750-megawatt oil-fired Seletar power station on Pulau Seletar, combined with a busy private sector program, should keep

(Continued on Page 10S)

#### Number of Financial Institutions in Singapore

Institutions	End of Period			
	1980 December	1981 March	1981 December	1982 March
BANKS	97	100	108	112
Local	13	13	13	13
Foreign	84	87	95	99
Full Banks	24	24	24	24
Restricted banks	13	13	13	13
Offshore banks	47	50	58	62
(Banking offices including head office and main offices)	(310)	(314)	(328)	(338)
ASIAN CURRENCY UNITS	115	120	131	137
Banks	82	85	93	97
Merchant Banks	32	34	37	38
Others	1	1	1	2
DISCOUNT HOUSES	4	4	4	4
FINANCE COMPANIES	34	34	35	35
(Finance Companies offices including head offices)	(100)	(104)	(118)	(121)
POST OFFICE SAVING BANK				
BRANCHES AND POST OFFICE COUNTERS	105	106	107	107
MERCHANT BANKS	37	39	41	43
INSURANCE COMPANIES	71	74	75	77
Life insurance	6	6	6	6
General insurance	56	58	59	61
Life and general insurance	9	10	10	10
REPRESENTATIVE OFFICES	49	49	50	52
Banks	45	45	46	48
Merchant Banks	4	4	4	4
INTERNATIONAL MONEY BROKERS	7	7	7	8

\*All local banks are full banks.

#### Regional Financial Services Role: Government Opts for Less Growth

By Dinah Lee

**SINGAPORE** — The idea that Singapore would quickly become a financial supermarket for Southeast Asia, offering all manner of services and eclipsing its rival, Hong Kong, seems to have temporarily lost momentum.

No one seems too alarmed that the implementation of this ambition has slackened, and all that remains is for the government to explain openly that it has put consolidation of rapid growth and regularization of the financial community ahead of yet more rapid expansion.

Recently an official of the republic's quasi-central bank, the Monetary Authority, said, "The problems we see result from overly rapid growth."

He echoed what is probably the opinion of the deputy prime minister, Goh Keng Swee, credited with being the architect of Singapore's economic structure, and once nicknamed, "Dr. Goh-speak."

The financial community suspects he may be partly responsible for the damper put on many of the proposals called from bankers and businessmen last winter by the minister for trade and industry, Tony Tan Keng Yam, during the pre-budget run-up.

At that time, a British businessman and longtime

resident of Singapore said, "If this budget doesn't achieve some significant improvements for the financial sector, you can forget about the so-called financial supermarket."

Only a week later, Mr. Tony Tan's budget speech ignored most of the major suggestions made by frustrated financiers.

Their main proposals were related to a needed liberalization of the financial structure in order to compete with the more freewheeling and entrepreneurial Hong Kong.

Corporate tax rates here of 40 percent are much higher than in Hong Kong, and restrict the growth of Singapore as a fund management center.

The banks suggested that offshore income should bear the same 10 percent concessionary rate of tax as the Asian Currency Units.

They also asked for changes in the classification of bonds, notes and floating rates of certificates held by banks to aid flexibility in asset management. They requested permission for banks to enter into stockbroking, for a lowering of the banks' liquidity ratios from 26 percent to 16 percent, and an abolition of tax on interest earned through bank deposits.

Instead, Mr. Tony Tan's budget contained modest

(Continued on Page 11S)

#### Expected Fall in Growth Rate, Ability To Maintain Heritage Concern Leader

By Pearl Marshall

**D**ESPITE Singapore's prosperity, Prime Minister Lee Kuan Yew is a worried man. Having run this city-state for 23 years and more than any other individual directed its path to affluence, Mr. Lee, 57, wants to retire sometime in the next six years, but is skeptical about the qualities of those who would succeed him.

He also said that he was worried about the ability of the 2.4-million Singaporeans to face a troubled future. During his years at the helm, Singaporeans have come to look to him, in their Confucianism, as their patriarch.

Like every father, Mr. Lee wonders if the younger generation has the will to preserve its heritage and the strength to build on it. His fear is that it might let one of the world's greatest economic success stories disintegrate.

Mr. Lee is always issuing fatherly warnings about Singapore's vulnerabilities. To some, it is seen as part of his political technique. But his latest cautionary statements coincide with the onset of recession in a country that felt it was immune to such things.

Economic growth this year will likely average around 5 percent, good news by almost any country's standards. But to Singaporeans, who have come to take growth rates of twice that much as routine, the slower growth is likely to come as a shock.

Singapore's consistently strong economic performance, coupled with generous wage increases averaging around 20 percent in each of the past three years, have helped transform Singapore's middle class into one of the region's most affluent.

Weekend shoppers cram modern, air-conditioned stores in Orchard Road for the latest in high fashion and home furnishings. Big-item consumer products like automobiles, television sets and videotape recorders are within the reach of most. Thanks to a compulsory government savings scheme, many of the population own their own flats, adding to the feeling among Singaporeans that prosperity is forever.

#### Prosperity Threatened

But high unemployment in the United States and Europe, two of Singapore's major trading partners, threatens this prosperity with protectionism and trade wars. Already Singapore's manufacturing sector has been hard hit by the recession, particularly consumer electronics, while Singapore's oil rig builders, the third largest group in the world, took only two new orders this year, compared with 16 last.

The giant Japanese-assisted \$1-billion petrochemical complex at Pulau Ayer Merbau, which is not yet due to start operating until next year, is expected to sustain several years of losses because of the worsening market in petrochemicals worldwide and the high cost of imported raw materials necessary for its functioning.

Mr. Lee's anxieties about the younger generation are compounded by the emergence of what some view as the black sheep of his family, Joshua Benjamin Jeyaretnam of the Workers' Party, the lone opposition member of Parliament. Mr. Jeyaretnam gained his seat last October, the first opposition member to Mr. Lee's People's Action Party in Parliament for 13 years.

Mr. Jeyaretnam has busied himself asking questions on a variety of issues the average Singaporean has not bothered or dared to ask, issues that have been glossed over in the past as not really necessary for public consumption. This has given Singaporeans a rare insight into some government workings.

His appeal is not so much as a viable alternative to the People's Action Party. Singaporeans are certainly not prepared to vote the party out of office. Rather, Mr. Jeyaretnam attracts support as the "underdog," giving some Singaporeans the vicarious feeling of bucking authority.

One of the issues that helped him win his seat in the first place was what he called the "arrogance" of the Political Action Party. Although Mr. Lee is viewed as the patriarch who can do no wrong and whose organizational acumen has led them pragmatically down the path to progress, the people "are not 100 percent behind him men," according to a European who has practiced amongst Singapore's business community for a number of years.

Some Feel Stifled

The government's vigorous steering of the economy and the community in certain directions has brought prosperity to nearly everyone, but critics complain that the regimentation involved gives them "a stifled" feeling. Mr. Jeyaretnam's behavior helps relieve this.

Such public sympathy for the opposition has resulted in a vigorous government campaign to discredit Mr. Jeyaretnam. A Western political observer said, "They are making things so unpleasant that many believe the government has set out to discourage others from doing likewise."

In an essay "The Search for Talent," Mr. Lee recently warned of the dangers

# SINGAPORE

## Domestic Economic Performance

### Real Gross Domestic Product

	Percentage Change			
	1981 1980	2nd Qtr 81 2nd Qtr 80	1st Qtr 82 1st Qtr 81	2nd Qtr 82 2nd Qtr 81
OVERALL ECONOMY	9.9	10.8	7.9	5.7
Manufacturing	10.0	12.6	2.9	-4.7
Trade	5.9	6.0	5.5	3.0
Transport & Communication	12.6	13.2	13.8	13.4
Financial & Business Services	18.0	19.4	12.0	12.7
Construction	17.0	13.3	31.9	38.0

Source: Department of Statistics

## Asiadollar Market: Continued Expansion Seen

SINGAPORE — If Singapore's undisputed financial success is to be boiled down to a single item, it would probably be the continued and rapid growth of the currency market. According to the 1981-1982 annual report by the Monetary Authority of Singapore, the pace of growth in the Asian Currency Unit market continued to be healthy, with gross assets and liabilities of the 137 banking units of \$85.5 billion, a rise of 58 percent over the previous year. The latest figures show that at end of July, the market had a gross size of \$97.1 billion.

Bankers are predicting that within three years, Asian Currency Unit activity, commonly known as the Asiadollar market, will reach \$200 billion. A European merchant banker who has watched the expansion of the market since its inception in 1968 said, "The significance is not in the volume, but in the fact of continuing growth." He estimated that as much as 70 percent of the volume is accounted for by interbank trading and, according to the monetary authority report, "About three quarters of the increase in the size of the market in

1981 was due to the rise in interbank transactions."

The report said that not only was increasing use of Singapore as a funding center responsible, activity was also spurred by arbitrage operations in the United States and consequently in the international finance markets. For example, the Singapore interbank offered rate for three month U.S. dollar deposits ranged from a high of 20.2 percent to low of 12.2 percent during the year.

The size of the currency unit activity is still slight when compared to the Eurodollar market, but no one is underestimating its importance.

Both United Overseas Bank and the Development Bank of Singapore have shown impressive results over the last few years by adopting American-style management techniques and diversifying power in the internal structure, something fairly new for Chinese banks with a tradition of one strong executive.

By contrast, Overseas Chinese Banking Corporation has not followed their example of actively participating in international syndications and floating rate note issues, and has slipped from its dominant position held until the 1970s to number three. Its conservatism is attributed to chairman Tan Chin Tuan whose management techniques and policies are traditional in style.

### More Flexibility Sought

The international banks would like to see greater flexibility in the banking structure allowed by the monetary authority. Their activity is also constrained by the shallow skills pool, particularly in the use of computers and foreign exchange dealing.

In order to have the best of both worlds, a few foreign banks have entered joint ventures with locals. Two examples of this are the United Overseas Bank venture with Chase Manhattan Overseas Banking Corporation, and the Overseas Chinese Banking Corporation venture with the Schroder Group.

Last year, the development bank's assets grew by 44 percent to more than \$4 billion, surpassing both United Overseas Bank and Overseas Chinese Banking Corporation, who have both been on the list of the world's top 500 banks since 1979.

The fourth local bank of the "Big Four" is the Overseas Union Bank, which is about a third smaller than the other three.

These banks compete with Singapore's "Big Four" leading commercial banks, and with the Post Office Savings Bank, which has the advantage of offering tax-free interest to depositors.

Because of this concession, and because it pays low interest rates, which is a major concession to its main user, the government, the post office bank has grown the most rapidly of the local banks. Within the commercial sector, the fastest growing bank has been the government-controlled Development Bank of Singapore.

Meanwhile dozens of offshore banks are knocking at the door of the monetary authority seeking to expand their activities. Most are subject to a lending limit of 30 million Singapore dollars, but a few have negotiated a higher limit, although an authority official declined to say how many.

He said, "These things are determined by how much of a contribution the bank has made to Singapore, and of course we take con-

## Economy Vulnerable to World Recession

(Continued from Page 9S)

the island state vibrating to the thump of piling equipment for many years to come.

Another successful growth area was in transport and communications, which advanced by 13 percent in the second quarter, faster than in the same period last year. Much of the credit was due to the healthy growth in cargo handling, reflecting the larger throughput of petroleum products.

The financial and business services sector also showed some resiliency, picking up marginally from the first quarter this year. Most of the bank loans went to the building and construction industry.

The general feeling in economic and industrial circles is that Singapore has not yet been too adversely affected by the recession.

Roderick Maclean, executive director of Singapore's international chamber of commerce, said, "There are obviously a lot of long faces

among those dealing with tropical primary products because prices have been sliding for 18 months or more.

"And some of the electronics companies have been affected because they were too dependent on North American and EEC markets."

"But by and large there is no unemployment. There is still a shortage of labor."

Mr. Maclean sees the economy growing about 5 percent for the year, a figure he said most countries would find quite acceptable in ordinary times.

Perhaps the biggest bouquet came from Euromoney, the London financial magazine, which last month ranked Singapore second, behind Saudi Arabia, in a listing of the world's best economies.

It credited Singapore with managing to sustain economic growth with low inflation and a strong currency since the oil crisis of 1973.

—PEARL MARSHALL



THE STOCK EXCHANGE: Eyes on the big board, ears on the telephone — sometimes, two telephones.

## SINGAPORE

### CRÉDIT COMMERCIAL DE FRANCE

chose several years ago Singapore as one of its locations.

are already established in Singapore:

— A subsidiary: Inter-Alpha Asia (Singapore) Limited, Merchant Bank established in 1977 together with its partners of the Inter Alpha Group of Banks.

28th Floor - UIC Building Shenton Way  
SINGAPORE 0106  
Tel.: 220 46 44  
Telex: RS 087000 IAASIFX INTERALPHA

— A representative office managed by Mr J.P. LEMIESLE

20th Floor - UIC Building Shenton Way  
SINGAPORE 0106  
Tel.: 224 07 29  
Telex: RS 28117 CCFSIN

which covers also the operations in Malaya and Thailand.

## Lasting Impressions

"Many are the times I have stayed in hotels around the world. The Marco Polo is surely amongst the finest."

H.R.H. Prince Bertil of Sweden

Many wordly wise travellers attest that The Marco Polo is one of the finest deluxe hotels in the world.

We pride ourselves on comfort, service and cuisine.



Our comforts are royal. Each of the deluxe rooms is distinctive. Each suite has a character all its own. An ambience of relaxation. Comfort you will long remember.

Our service is omnipresent: whenever possible we try to anticipate. When you ask we respond with a minimum fuss.

What builds reputations and makes a hotel memorable is what The Marco Polo does best. You will long enjoy the memory of The Marco Polo.

For reservations, call Singapore 4747141 or telex RS 21476 BEDTEL or call Cathay Pacific Airways, SRS — Steigenberger Reservation Service HORIS/Swissair, Ondre Hotel Representatives, Golden Tulip Hotels/KLM.



THE  
POLO

SINGAPORE  
Twin City Singapore 024

polo

## CREDIT LYONNAIS

### A world-wide network

providing  
full banking and financial services

#### CREDIT LYONNAIS

International Affairs

16, rue du 4 Septembre, 75002 Paris — Tel. 295.70.00 — Telex: 612400

#### SINGAPORE BRANCH

3701 O.C.B.C. Center

Chulia Street - P.O. Box 1839

Tel.: 919.477

Telex: RS 27225 CL SING

EUROPARTNERS - BANCO DI ROMA - BANCO HISPANO AMERICANO - COMMERZBANK - CREDIT LYONNAIS

INTERBANCORPORATION

The working party is yet to announce officially what are the contracts that the new futures exchange in Singapore will be trading but sources say that it is likely to be the following: 90-Day Asiadollar contract, a contract each in the Yen and Deutsche mark, and a Singapore dollar contract.

The monetary authority of Singapore is said to have reservations about "internationalizing" Singapore's currency and that contract may therefore encounter some problems in getting approval.

# SINGAPORE

## Goh Keng Swee: Clear Policy Ideas, Tight Rein

**SINGAPORE** — The deputy prime minister, Goh Keng Swee, is known to fellow Singaporeans as "the father of Singapore's modern economy," but was recently described by a foreign financial publication as, "some sort of story-book potentate."

Whatever one's interpretation of Mr. Goh's close and conservative supervision of Singapore's central bank-like Monetary Authority of Singapore, and its investment arm, the Government of Singapore Investment Corporation, Mr. Goh's recipe for success is clear.

The ingredients are: an emphasis on a strong exchange rate over interest and money supply growth, a large surplus of reserves for the monetary authority and the investment corporation for float management and long-term investment, and a tight rein on the employees of both bodies over their contact with the rest of the financial community and particularly the press.

While Western countries cry "deficit," the monetary authority recently reported shifting 3.5 billion Singapore dollars of their gold and foreign exchange reserves to the investment corporation fund for international investment, leaving the monetary authority with total assets of about 12 billion Singapore dollars.

Meanwhile, the investment corporation already has funds estimated officially at 15.5 billion Singapore dollars but, depending on the valuation of the assets, possibly reaching 40 billion dollars. In the same report, monetary authority officers reiterated Mr. Goh's policies of leaving interest and money supply target secondary to the maintenance of a strong Singapore dollar and a reduced monetary authority presence in the republic's money market.

In a rare interview on the subject with the government-supervised English-language daily, The Straits Times, Mr. Goh said, "Nobody in the MAS bothers if M1, M2, M3 or MZ is going up or down."

"We're in this happy position because the government's financial and economic policies have been successful."

Mr. Goh himself is in a happy position since his poorly disguised purge in January 1981 of the then-managing director of the monetary authority, Michael Wong Pakshong. Mr. Wong, a widely respected banker with 10 years' experience of central banking in Singapore, was known to clash with Mr. Goh's views.

His approach to the promotion of Singapore as a financial superpower of services was more aggressive than Mr. Goh liked.

Unlike Mr. Goh, he favored a merger of the monetary authority, which performs most central banking functions, with the separate body that issues the Singapore currency. He was accused by Mr. Goh of running the authority's reserves under too short-term policies and of managing foreign currency too conservatively.

### Report Forced Resignation

A handpicked team of youthful investigators produced a report that in effect forced Mr. Wong's resignation.

When Mr. Wong resigned, the authority saw a lemming-like exodus of about one third of its 180 staff, including the head of the international department and other key executives.

— DINAH LEE

While Mr. Goh had argued that the authority was overstuffed, the eagerness of many to leave with Mr. Wong was reportedly a surprise to Mr. Goh, who was left with a thin staff of inexperienced civil servants lacking in real banking knowledge. Mr. Goh, who had taken up the chairmanship of the authority the previous August, was forced to recall many of the departed without whom the authority could not function.

That was almost two years ago, and since then divining developments outside the walls of the monetary authority and Mr. Goh's own baby, the investment corporation, born only last year, has been something of a sport for financial journalists.

Foreign advisers, among them consultants from N.M. Rothschild and Sons, are equally miffed, fearful of Mr. Goh's anger over previous leaks.

Monetary authority officials have admitted that their inaccessibility is exacerbating a bad situation.

### Authority Misunderstood

According to one executive, a lot of misunderstanding exists about the role of the authority which, because of a high degree of liquidity shifting to government coffers, must intervene regularly to maintain economic equilibrium.

It has traditionally balanced money supply by lending directly to the banking system, intervening in the foreign exchange market, discounting export bills as a way of concessionary financing, or making U.S. dollar/Singapore dollar swaps. Only recently has it decided to take a less interventionist role, reducing the cumbersome paperwork it has required of foreign banks, and loosening a few restrictions in financial requirements.

Their policy has worked overall, witness the huge reserves built up over the years, but recently the growing emphasis on a strong exchange rate has resulted in a widening fluctuation of the money supply. Also, the recent impact of the international recession on Singapore's trade statistics has dented Singapore's commercial hubris, and led to complaints from local manufacturers that the strong dollar policy is cutting into export figures.

### Banks Warned

Half year figures for this year were worse than expected. Export growth rates dropped in volume from 7.4 percent to 3.4 percent. The monetary authority resort to manufacturers that Singaporean production has a high import content, and that in the sense that component and production machinery from overseas is cheaper, the exchange rate has a neutralizing effect.

Behind the scenes, the authority is negotiating with the Ministry of Trade and Industry to arrive at some workable balance in the exchange rate policy.

Bankers are as displeased with the authority as traders, now that competition has made life more difficult. For example, Mr. Goh's adamancy against the internationalization of the Singapore dollar is unpopular and reserve requirements on Singapore dollars have led to evasion by many foreign banks.

In September, the authority issued a "stern warning" to offshore banks who exploit a loophole in exchange controls

enabling them to accept Singapore dollar deposits without subjecting them to reserve requirements.

Bankers reply that understanding the policies of the authority and establishing contact with it is as hard for them as for journalists. They mourn the imminent departure of the deputy manager, Lim Ho Kee, and the manager of the banking and institutional department, Heng Chiang Meng, both on loan from commercial banks.

A leading merchant banker said, "When they go, we won't have the slightest idea whom to contact."

Occasionally one hears of a junior staffer in the authority posing his queries for confidential information to a senior foreign banker in terms that resemble more a threat than a question, something that makes an offshore bank anxious for a restricted license very nervous.

When asked about these problems, an authority official said, "The extent of the bank's cooperation depends on how the questions are asked and who asks them."

"The interface may need to be smoothed. But we have got to make an evaluation of the person's ability to do his job and get on with it."

Behind this lies a deeper fear that the authority's younger staffers will not retain their regulatory authority if their relations with the relatively small Singaporean financial community become too close.

### Investment Postponed

The investment corporation is also suffering from teeth problems. According to Mr. Goh, the corporation has opted for the "do-nothing portfolio" and near total withdrawal of corporation funds from equity markets in Japan and the United States. Plans to purchase property, perhaps in Australia or the United States, have been put on hold, and the corporation's funds are mostly in liquid assets, waiting out the current recession.

Things may change when the corporation acquires a new managing director, Richard Hu, next year, replacing the progressive Yung Pung How.

One stockbroker commented that he hoped Mr. Hu would apply his management skills, honed as chairman and chief executive at the Shell companies in Singapore, to sort out what he called the misappropriation of personnel within the corporation.

He said, "You train them for months on secondment to deal in equities, and a month after returning to the corporation, they're assigned to gold."

Complaints from outsiders are numerous, but more of a clue to real troubles was the response from a monetary authority official when asked what he felt the true concerns were: "Ensuring that we remain relevant to the economy... achieving a symbiotic relationship with the Ministry of Finance and the Ministry of Trade and Industry, understanding the nature of our surplus in order to fashion the investment policy."

Clearly the monetary authority is worried about more than poor press relations.

— DINAH LEE

## Expected Decline in National Growth Rate Causes Concern

(Continued from Page 9S)

industry. Instead of making cheap radios and garments, Singapore set its sights on such items as aircraft engines and computers. U.S. aerospace firms such as Sundstrand Corp. and Garrett Corp., have responded to the challenge and set up manufacturing units. Other well-known international corporations are producing computer subassemblies, pharmaceuticals, optical equipment and medical disposables.

Singapore is now in the fourth year of what many refer to as a "second revolution," its attempt to pull the economy up from cheap labor to high technology. To restructure, it instigated three years of high wage increases in an attempt to force employers to streamline their labor forces and operate efficiently.

Those companies not prepared

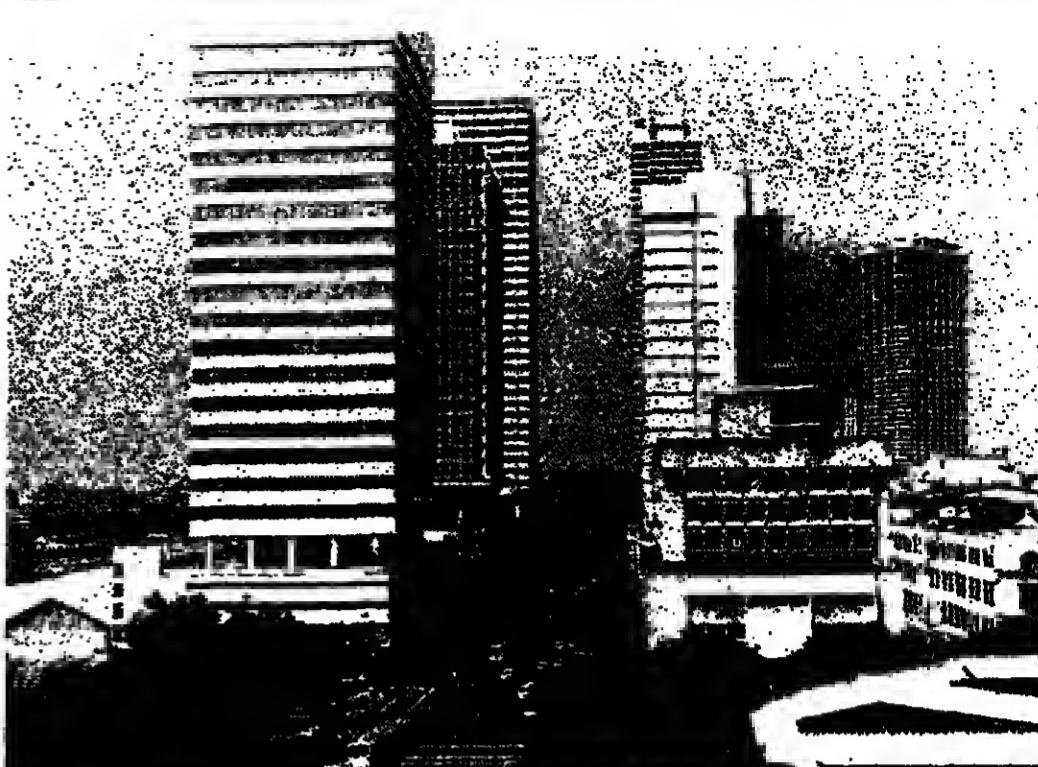
to mechanize and automate are being driven out by cost considerations to other countries in the region. Now that the revolution is meeting with some success, the wage rates have been stabilized.

To ensure this, the government is encouraging a return to normal collective wage bargaining, rather than the employers, unions and even the industrial arbitration court following the National Wage Council's wage increase guidelines

as they have consistently done in the past.

Singapore's so-called second revolution also called for revamping the educational and training facilities to upgrade the standards of education. Intake at the university and polytechnic level has almost quadrupled, while at the lower levels, expansion continues of the industrial training facilities for operatives, skilled craftsmen and technicians.

Singapore's aim is to wean itself away from dependence on foreign workers in the manufacturing field by 1984 and in all sectors apart from construction and the shipyards by 1992. Mr. Lee said recently that he might allow a small number, about 5 percent, to remain in certain sectors to act as "pacesetters" because foreign workers in the main tended to work harder than Singaporeans.



THE FINANCIAL CENTER: New office buildings crowd the skyline of central Singapore's financial and banking center.

## Regional Financial Services Role: Government Opt for Less Growth

(Continued from Page 9S)

The Hong Kong government style is often described as "laissez-faire," while Singapore's government regulation of the financial sector is rigorous through.

Hong Kong has a head start as a "bookend center" particularly as a leader in loan syndication with a large community of international "players."

While specific areas of financial activity remained lively, observers could detect what one called "a loss of heart" in the supermarket concept.

Figures for the first half of this year for the financial and business services sector, still the fastest growing area of the economy overall, showed a growth of 12.3 percent compared to 18.8 percent for the first six months of last year.

Part of the pause in the expansion of the financial sector was due to the impact of the international recession which had finally made itself felt in the last six months.

But even before Singapore's vulnerability to Western stagnation was in evidence, bankers were pointing to the dismissal in January 1981 of Michael Wong Pakshong from his post as chief of the monetary agency as a sign of shifting priorities at the top.

Mr. Wong was known for his pioneering attitudes toward Singapore's growth in financial services, and while no one can point to examples of the government actively hindering progress toward the supermarket model, official support seems more selective and less experimental than before.

As a touchstone for its success on an international scale, Singapore can always look at Hong Kong. In many ways, the British colony of over five million seems the antithesis of its smaller island challenger of 2.4 million. Both have predominantly Chinese populations, but Hong Kong is adventuresome and even steady, while Singapore is prudish and cautious.

### Singapore More Experienced

Singapore's current hopes to retain its lead in increased competition from Hong Kong are based on its longer experience in the Asian Currency market, finally lifting its 15 percent withholding tax on interest paid on foreign currency deposits. Singapore's willingness to do so in 1981 was largely responsible for the rapid rise of the Asian Currency Unit market here, and Singapore's development as a regional funding base.

Singapore is aware that merely retaining its regional funding center is not enough and attempts have been made to strengthen the market for financial instruments ranging from Asian dollar bonds and Singapore floating rate certificates of deposit to gold insurance.

This year, the monetary authority plans to include certificates of deposit and commercial letters of credit in the liquid asset requirement stipulated by the monetary authority. The move had been suggested a decade ago, and seen as one of a few belated moves toward financial liberalization by the authority.

## WE'RE THE FIRST IN THE WORLD TO COMMUNICATE WITH THEM.

Intelligence from outer space?

On the contrary.

It's a close up of optical fibres. Extremely fine tubes of glass that can each transmit hundreds of millions of pieces of information per second.

Optical fibres can also carry at any one time, a volume of information, several thousand times greater than any other conventional means.

Since February 1977, optical fibres have been carrying commercial traffic between two telephone exchanges in Singapore. Which makes Telecoms the first in the world to communicate with them.

Technical innovation in global communications is not new to Singapore. In fact, our systems are amongst the most advanced in the world.

What's more, our data communication capabilities, our infra-structure of satellite, submarine cables, HF, VHF and UHF, our reliability, our high standard of service and our communication engineering expertise are all second to none.

Which isn't surprising when you consider that today Singapore is not only the world's second busiest port, but also one of its most important financial centres.

With all this in mind, isn't it time you communicated with us?



Telecoms

We'll keep you in touch with the world.

Telecommunications Authority of Singapore. Tel: 233-2333. Telex: 233-2333. Fax: 233-2333. E-mail: [tao@tao.singnet.com.sg](mailto:tao@tao.singnet.com.sg)

## SINGAPORE

### Government Planners See State's Future as Region's 'Brain Center'

By David Watts

SINGAPORE — From being a center of low-cost labor, Singapore is moving quickly to establish itself as the "brain" of Southeast Asia. One of its key ideas is to grant loans to senior civil servants to enable them to buy microcomputers for use at home, reasoning that familiarizing senior bureaucrats with computers will have an influence on their introduction and application.

It is planned to equip 10 ministries with 100 million Singapore dollars worth of equipment over three to five years.

At the opposite end of the scale the government is moving, through the schools, the national trades union council and local community associations, to introduce Singaporeans to computers, giving them the opportunity to take either short-term or full scale computer courses leading to careers in the industry.

Government grants and loans are available for companies and individuals wanting to improve their computer skills.

By 1985 it is planned to have an average of three microcomputers, for each of the 171 secondary schools and to have four teachers trained in basic computer sciences at each secondary school by the following year.

Computer clubs are being established at housing and development board estates so that parents and youngsters can attend computer courses in the evenings. There has been an enthusiastic response.

There are now about 1,200 computer professionals in Singapore,

International Computer Board, which recommended that a pool of computer professionals be built up and computerization of the civil service accelerated.

One of its key ideas is to grant loans to senior civil servants to enable them to buy microcomputers for use at home, reasoning that familiarizing senior bureaucrats with computers will have an influence on their introduction and application.

It is planned to equip 10 ministries with 100 million Singapore dollars worth of equipment over three to five years.

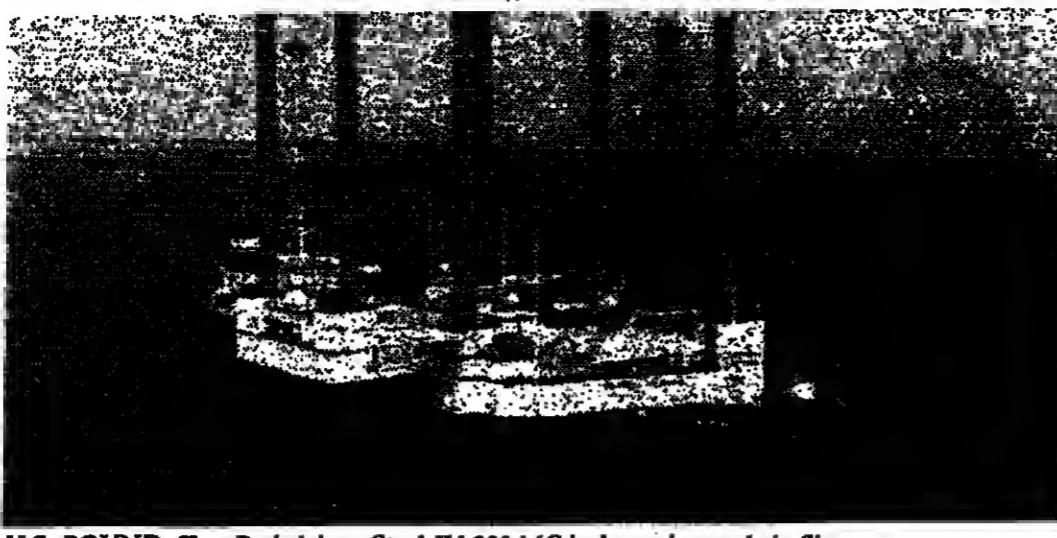
At the opposite end of the scale the government is moving, through the schools, the national trades union council and local community associations, to introduce Singaporeans to computers, giving them the opportunity to take either short-term or full scale computer courses leading to careers in the industry.

Government grants and loans are available for companies and individuals wanting to improve their computer skills.

By 1985 it is planned to have an average of three microcomputers, for each of the 171 secondary schools and to have four teachers trained in basic computer sciences at each secondary school by the following year.

Computer clubs are being established at housing and development board estates so that parents and youngsters can attend computer courses in the evenings. There has been an enthusiastic response.

There are now about 1,200 computer professionals in Singapore,



**U.S.-BOUND:** Two Bethlehem Steel JU-200 MC jack-up rigs made in Singapore on their way to the United States.

of various levels of competence, and the government plans to train new entrants to meet an estimated demand of 7,800 by 1990.

The biggest supply is to come from training facilities set up as joint ventures with foreign governments.

International Business Machines is working with the National University of Singapore on a training institute that will produce 200 graduates a year. The Japan-Singapore Institute of Software Technology has taken in a first class of students for a two-year program under a five-year agreement with the Japanese government, which has donated eight million Singapore dollars' worth of computer equipment.

International Computers of Britain is to supply equipment and teachers for the third such institute, the Center for Computer Studies at Ngee Ann technical college. The center will eventually have 600 students.

A principal worry of the government over the last few years has been how to achieve targets without slipping below an internation-

ally acceptable level of competence.

Singapore has made an agreement to adopt the methods and standards of the British Computer Society, so that students qualifying in Singapore examinations will be exempted from British examinations.

Part of the finance for the government's program is to be generated through a levy on employers

of 2 percent of the salaries of all employees earning less than 750 dollars a month. The government calculates that the companies will want to recover some of their money by putting employees into the courses.

The government is also encouraging foreign nationals with computer skills to settle in Singapore, notably those from the sub-continent.

This compares with about 34 such rigs under construction last year at the same time.

Singapore-based companies faced their highest workload ever in 1981, after a record number of contracts won the previous year. They delivered 15 jack-ups, enabling them to record sales of 790 million Singapore dollars.

**Singapore Passed**

Despite this busy pace, however, Singapore was displaced as the second largest rig-building nation, by Japan, which secured several orders for semi-submersibles.

Singapore's share of the market can be gauged from the fact that in September 1981, it was building five of the 51 semi-submersibles un-

**PEARL MARSHALL** is a free-lance journalist who specializes in economic and technical reporting.

**DINAH LEE** is a free-lance journalist based in Singapore who contributes to the Washington Post and other publications.

**DAVID WATTS** is the Southeast Asia correspondent for the London Times.

**NARAYANAN BALAKRISHNAN** is a business reporter with the New Nation newspaper in Singapore.

### World Oil Glut Means Sharp Cut In Orders for Offshore Rig Builders

**SINGAPORE** — With the current oil glut and about 50 to 60 offshore rigs around the world "stacked" waiting for work, it is no wonder the number of new orders Singapore's rig builders received dropped from 16 last year to two this year.

The stacked rigs represent about 10 percent of the total offshore fleet, and the near future looks grim.

Barton Larimore, president of Bethlehem Singapore, a subsidiary of U.S. Bethlehem Steel, said: "Demand will climb much more slowly than in the past and the amount of new buildings will be because of the increase in builders worldwide since the second boom going in 1978."

A total of 21 mobile rigs (jack-ups, semi-submersibles and drillships) were listed under construction in August in Singapore's five yards. Bethlehem Singapore, which had one, Far East-Levington, five, Marathon, eight, Promet, five, and Robin Shipyards, two.

This compares with about 34 such rigs under construction last year at the same time.

Singapore-based companies faced their highest workload ever in 1981, after a record number of contracts won the previous year. They delivered 15 jack-ups, enabling them to record sales of 790 million Singapore dollars.

**Singapore Passed**

Despite this busy pace, however, Singapore was displaced as the second largest rig-building nation, by Japan, which secured several orders for semi-submersibles.

Singapore's share of the market can be gauged from the fact that in September 1981, it was building five of the 51 semi-submersibles un-

der construction worldwide, 28 of the 160 jack-ups and one of the six drillships.

In September 1982 its share was

five of the 50 semi-submersibles,

13

of the 74 jack-ups and two of the nine drillships, with one additional mobile rig of unspecified category.

In addition to this, Far East-

Levington, repaired the new Maersk Valiant for owner Maersk Drilling of Denmark. The rig, built by a Japanese yard, encountered problems in December during operation and its damaged leg sections had to be repaired.

Far East-Levington was able to hold more than a 30 percent share of the rig market in Singapore in 1981 in terms of contract value.

On the delivery side, Robin Shipyards was able to start in mid-September transferring the 84-mil-

lion-Singapore-dollar jack-up Sa-

gar Shakti to India's Oil and Natural Gas Commission. Its last re-

maining 110 million Singapore dollars jack-up is expected to be com-

pleted for the same company early next year.

Although the offshore rig business has been hit hard, the market is still reasonably buoyant for supply vessels... As China's off-

shore exploration and development starts to warm up, a number of Singapore-based companies hope to be able to supply more equipment and services.

their own pipe, machinery and equipment inventories if they can possibly get them.

"They've already told the people in Hong Kong that they will not plan for Hong Kong on a long-range basis to supply the Chinese offshore fleet."

But as experience has proven, the Chinese might not be able to become self-sufficient as fast as they wish, and determining the size of the future market for equipment and services is very much a guessing game for Western companies.

In the meantime, Singapore argues convincingly that with its five jack-up yards and 20 to 30 other yards capable of doing repair work, it is a good base for those who wish to assist in future regional oil and gas exploration and development.

Oil exploration activity in the region, like the rest of the world, has quietened.

The established companies are using most of the rigs available so there are few stacked, but there is little hope of a renewed impetus to open up new areas or hire new rigs until oil demand starts picking up again.

— PEARL MARSHALL

### Foreign Firms Respond to Bid for a Bigger Share of World Market

(Continued from Page 95)

part of companies' expenses sending employees back to partners can also obtain skilled workers straight from government-training institutes by making a payment." This amounts to a fraction of overall trainees.

**Low Interest Financing** Singapore's government's assistance scheme allows companies financing at reduced interest rates for part of building and machinery. To date, companies have to be in a

priority industry and producing something which brings a major advance to that industry.

Though companies are producing semiconductors in Singapore on a large scale, for instance, no company is yet producing wafers. So the board is providing this type of financing to two companies bringing in wafer diffusion projects.

Other minor incentives include: exemption of tax on foreign loans, exemption of tax on royalty payments and low-rate finance to small companies under the small-industry finance scheme.

To stimulate research and development activity, the government last year started financing directed research by private firms working on joint projects with public sector organizations.

Norway's E.B. Communications, for instance, is jointly developing an integrated telemetering, alarm and telecontrol system with the telecommunication authority of Singapore.

Singapore sees an increasing need to diversify into advanced services like engineering design, surveying, computer software and banking and finance, as more of

the large multinationals start operating in the Association of Southeast Asian Nations, ASEAN, and the Pacific Basin, including China.

Growing ASEAN enterprises, particularly oil companies like Indonesia's national oil company Pertamina, are also natural customers.

P.Y. Hwang, the development board chairman, said, "They can go to New York for their sophisticated financial services. They can go to London.

"But if there are facilities set up in the region, and if Singapore can produce a faster and more efficient service, we will be convenient because of our closeness."

One of the service areas the government would like to foster more is plant design and maintenance. The board had a "quick look around" recently at companies like Brown and Root, Matthew Hall, John Brown and Chiyoda.

**Form of Presence**

It found that more than half the major firms in the business had some form of presence in Singapore, often a regional office looking after sales. Some had started design facilities.

The board sees a lot of processing of natural resources moving to the locations where the resources are found.

Refineries, chemical plants, palm oil mills, and timber processing plants will increasingly be set up as joint ventures with Indonesia and Malaysia, for instance, instead of being located in the West as in the past.

Mr. Hwang said, "This will increase the demand for machinery as well as design services for these plants, and we think that Singapore can play a key role."

— PEARL MARSHALL



## SOUTH EAST ASIA IN FORTY WINKS.

Though we can't shorten the flight, we can do a lot to shorten the time it seems to take. We do our best to help you really relax on board.

We have less seats in our first class, 18 instead of the more usual 26, luxurious Skysleepers in which you can stretch out completely and still leave room for other passengers to pass without disturbance, as well as a lounge for inflight conferences or just for get-togethers.

Our business class is not separated from tourist class by a mere curtain. It comprises the complete upperdeck, has its own stewardesses,

galley and toilet and offers mostly enough room to stretch out crossways. So the business passenger gets the ease he pays for.

We provide nightkits (sleeping mask, slippers and a blanket), a stereo channel with lullaby music and a wide choice of 'nightcaps'. No wonder, our passengers tend to do a lot of dozing, drowsing, snoozing and slumbering.

And while they're awake, we keep them entertained with all kinds of stereo music, films, newspapers and magazines, excellent meals (not forgetting our exquisite Indonesian rijsttafel), distinguished wines, and a choice array of other drinks and titbits, served with the warm courtesy and individual attention you might expect from our Indonesian stewardesses. It isn't easy to turn a long distance flight into a "dream trip", but we sure do our best to help you dream the miles away.

**GARUDA. WHERE EVEN TIME FLIES.**

جهاز من الـ 40

## BUSINESS / FINANCE

MONDAY, OCTOBER 4, 1982

## New Issues Languish In Europe

By Carl Gewirtz

*International Herald Tribune*  
PARIS — With a record \$38.85 billion of Eurobonds floated in the first nine months of this year — double the volume in the year-earlier period — it should be no surprise that the market is running out of breath.

The \$600 million of dollar bonds launched last week, along with the \$330 million floated a week earlier, languished despite the continuing rally in New York bond prices.

The new Eurobonds continue to be priced very aggressively by underwriters who expect further dec-

## EUROBONDS

lines in interest rates. Underwriters are not reluctant to hold these bonds, as financing costs are low and holding the securities means they can earn a profit. But investors are just not buying. Bankers lament the drying up of demand from Switzerland, which one expert estimates swallowed some \$30 billion of bonds in the past 18 months.

In part, investment bankers report, European investors are unwilling to buy dollar investments with the dollar so strong. More fundamentally, analysts argue that portfolios in Europe are bulging with bonds, particularly dollar-denominated ones.

## Unbalanced Portfolios

They see money available for new bonds — particularly dollar income on existing holdings — going to the Deutsche mark market to take advantage of the low

Borrower	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
New York Times Int'l Fin.	\$50	1987	12%	100	12%	First call at 100% in 1986.
Norsk Hydro	\$100	1992	12%	100	12%	Callable in 1988 at 102. Sinking fund starts in 1988 to produce 8-yr average life.
World Bank	\$100	1990	8½	100	8½	
Citicorp	\$15	1989	13	—	—	Price to be set Oct. 8.

DM exchange rate. But analysts suspect that the bulk of money available for new investment is being readied to move into the U.S. stock market.

As a result, the issues launched last week were difficult to sell.

• Amsterdam-Rotterdam Bank's \$200 million of seven-year notes offered at 99% bearing a coupon of 13 percent to yield 13.11 percent. They were quoted at 97.11 percent.

• Bayerische Vereinsbank's \$75 million of seven-year notes, priced at par bearing a coupon of 13% percent.

• Canadian L.L.C.'s \$175 million of seven-year paper at par bearing a coupon of 12% percent. This issue was guaranteed by Canada, was initially launched with a coupon of 12% percent but increased to bring it closer into line with prevailing yields on Canadian paper. Despite that increase, traditional managers of Canadian paper refused to join the underwriting. The notes were quoted at 97.5%.

• New York Times International Finance's \$50 million of five-year notes, offered at par bearing a

coupon of 12% percent — a thin hair-point over comparable U.S. Treasury paper. This paper was quoted at 98½ for a yield of 13.18 percent.

• Norsk Hydro's \$100 million of 10-year bonds, priced at par bearing a coupon of 12% percent ended the week at 98% for a yield of 13.07 percent.

The quotes on all these issues are somewhat artificial as they are all syndicate bids; underwriters are maintaining the price. The same was true for the issues floated a week earlier, which are being held at a quote of two points below issue price.

• Triple-A Issues. The only exception were the two triple-A rated issues — Japan Development Bank's 12% of 1989, which were quoted at 99%, and Ontario Hydro's 12% of 1992, which were quoted at 98%, off 14 points below issue price.

Exxon's five-year notes bearing semi-annual coupon of 11 percent and sold to banks at 96% were quoted at 96.4%.

The Deutsche mark sector was overshadowed by the change of

government in West Germany. This buoyed share prices but analysts were cautioning that there were no quick cures for getting the economy moving again. Nevertheless, a continued easing of money market rates and the promise of increased taxes to reduce the federal deficit helped the bond market.

GMAC's 8½ of 1987, priced a week ago at par, ended the week at 101, while Bechtel's 8½ of 1992, offered at par, were quoted at 99.

The 8½ of 1992, offered at 99, traded at 97.4%, while Eiffelma's 8½ of 1990, priced at 99%, ended the week at 98%.

The World Bank, in a private placement, sold 100 million DM of eight-year bonds at par, bearing a coupon of 8½ percent.

Barclay's 8½ of 1989, offered at 98, traded at 97.4%, while Eiffelma's 8½ of 1990, priced at 99%, ended the week at 98%.

Elsewhere, Copenhagen is offering 75 million guilders of 10-year bonds bearing a coupon of 11 percent. The issue price will be set on Oct. 11.

Citicorp International Finance,

the first U.S. borrower to offer European currency units, is selling 15 million ECU of 6½ year notes bearing a coupon of 13 percent.

The issue price will be set on Oct. 8. The odd maturity is designed to cover the specific needs of the client transaction underlying the deal, bankers report.

Caisses Nationale des Télécommunications, guaranteed by France, is offering £20 million of seven-year notes at par bearing a coupon of 12½ percent.

Eurobond Yields

For Week Ended Sept. 29	Total	U.S.A. %
Int'l Inst., Ig term U.S.S.....	15.36%	
Ind. long term U.S.S.....	15.61%	
Ind. medium term U.S.S.....	15.80%	
Corp. medium term.....	15.80%	
French fr. medium term.....	14.60%	
Int'l Inst., Ig term yen.....	8.58%	
ECU medium term.....	12.21%	
EUA long term.....	12.04%	
Int'l Inst., Ig term Flx.....	10.77%	
Flx long term.....	11.08%	

Calculated by the Luxembourg Stock Exchange

Market Turnover

For Week Ended Oct. 1

(Millions of U.S. Dollars)

Total

Dollar

Interest Bearing

Credit

Euroclear

9,672.1

4,751.1

1,038.6

520.4

## Doubts Arise About Suzuki As Yen Falls to 5-Year Low

By Henry Scott Stokes

*New York Times Service*

TOKYO — The dollar has risen to 270.40 yen in New York, its highest level against the Japanese currency since June 28, 1971. The currency has been exceptionally strong in recent weeks, despite a fall in U.S. interest rates.

Why is the dollar so strong? What ails the yen? "Not only the yen, but all major currencies, the pound, the Deutsche mark, the French franc, are weak vis-a-vis the U.S. dollar," said an official at the Japanese Ministry of Finance.

"People tend to seek a haven for assets in times of political or military uncertainty — the dollar."

Yet, over a long period, the dollar's performance against the yen has been exceptional. Since the autumn of 1978, the appreciation is 54 per cent, from a low of 175.50 yen.

The fall in the yen's value is surprising. Japanese exports surged from 1979 to 1981, unsettling competitors in Europe and the United States and Japan has a reputation as one of the best-managed economies in the history of capitalism.

Doubts About Suzuki

But recently there has been a feeling in Tokyo of uncertainty about the economy as a whole, and there are widespread doubts about the way the prime minister, Zenko Suzuki, is tackling the problem.

Last month he declared a "state of financial emergency" and then left for a visit to China without announcing budget deficits.

In a worldwide structural recession, the yen can hardly be appreciated highly, because of Japan's huge deficits in its state finances, said Hiroshi Fujiwara of Mitsubishi Oil Co. "Measures to cope with the revenue shortfalls have not been effective."

There is "a sense of drift in economic policy" in Japan, added a Bank of England specialist.

A number of factors have contributed to the weakness of the yen, Finance Minister Michio Watanabe has noted. There is no simple explanation and no agreed-upon panacea for the yen.

The major causes include:

- A gap of 3, 4 or 5 percent in long-term interest rates, despite recent reductions in the United States. This has encouraged a huge flight of capital from Japan.

- Speculation against the yen in international financial markets. This compares with between 3 and 4 percent in the United States and 2½ percent in Britain.



Zenko Suzuki

try's central bank, unwilling to invest large amounts of its \$24 billion in foreign exchange reserves for probably futile, one-sided attempts to prop up the yen, the currency is vulnerable to big swings against the dollar. The U.S. Federal Reserve has declined to join in any attempt to bolster the yen.

"Hold Dollars for Safety"

"A major factor for the recent strengthening of the dollar is mood prevailing worldwide that times of political unrest one should dollars for safety," said Tsuki Ishii of Marubeni Co., a trading company.

That bank, Japan's largest, last month that it had lost \$2 million in "unauthorized" dealing in March 1983, reflecting economic growth three percentage points short of a forecast of 5 percent in real terms. The government faces a budget deficit of close to \$65 billion, equivalent to about 33 percent of current spending.

Part of the problem is the nation's perception that the Japanese economy is weak," said To Gyoten, an official at the Finance Ministry. "That perception seems to be wrong; I don't think the Japanese economy has lost [its] competitive edge, if you look at inflation, employment and exports."

Other positive factors for yen include a per-capita saving rate of nearly 20 percent of earnings here, by far the highest in industrial nation.

## Surprise M-1 Growth Dims Hopes for Interest Rate Decline

By Michael Quint

*New York Times Service*

scarcer in the banking system and encouraging higher interest rates, he said.

Other economists do not share Mr. Braverman's view and say that the weak economy will keep money supply growth slow and eliminate the need for any Fed action leading to higher interest rates.

Confidence in that forecast has been shaken, however.

In the credit markets Friday, interest rates ended at slightly higher levels after a last-hour flurry that reversed the declines set earlier in the day. Three-month Treasury bills were bid at 7.74 percent, up from 7.37 percent before the money supply report and 7.6 percent on Thursday.

## Tired of Waiting

Prices of notes and bonds fell as much as 14 points within half an hour of the money supply news; the 14-percent bonds due in 1981 slipped to 118½, to yield 11.69 percent, from 119 18/32, where the

yield was 11.56 percent, earlier in the day.

The latest increase left the M-1 money supply far above the Fed's annual growth targets. The 16-percent annual growth rate for M-1 in the last eight weeks, combined with forecasts of large increases in early October, is sure to be a key issue at this week's meeting of the Federal Open Market Committee, a group of Fed officials who set monetary policy.

The normal cure for fast money

supply growth — tight credit and high interest rates — would be contrary to the immediate needs of a slumping economy. Partly because of the weak economy and low inflation, Fed officials said earlier this year that above-target growth might be tolerated for a while.

Now, however, more analysts are concluding that the Fed is tired of waiting and is likely to take modest measures to reduce money supply growth, even if it means a slight increase in rates just before an election.

Paul Boltz, a financial economist at Continental Illinois National Bank & Trust Co., said that data on bank reserves, which have become scarce in the last three weeks, show that the Fed has obviously decided to firm credit conditions somewhat.

Even if bank reserves become scarce enough to raise the overnight rate for bank loans in the Federal funds market to 11 per-

cent, from the 10.12 percent average for the week ended Sept. 29,

Mr. Boltz said, "that is by no means a severe tightening of Fed monetary policy." He added: "I think they will wait until they see money supply data for Oct. 6 and Oct. 13 before making a decision."

In the week ended Sept. 22, M-1, which consists of currency and all kinds of checking accounts, reached \$461 billion, about \$4.1 billion above the level consistent with 5½-percent annual growth from the fourth quarter of 1981 to the fourth quarter of 1982.

Mr. Phillips' return to the U.S. followed his appointment as executive vice president for sales and marketing at Volkswagen's U.S. subsidiary because he was tired of commuting between Detroit, New York and the home that he maintained in one of Johannesburg's affluent northern suburbs. His three daughters were at school in South Africa and his wife was eager to get back to America.

But the 48-year-old Mr. Phillips will return to Detroit next month, this time as president of Volkswagen of America Inc. "I wasn't expecting it or looking for it," he said of his new assignment. "But there is an obvious attraction in being offered the top job."

## Sales Slide

Volkswagen, which announced last week that Mr. Phillips would succeed James W. McLean, is one of the many casualties of the ailing U.S. automobile industry. VW's sales have fallen steeply since Mr. Phillips left in early 1981 to take over the McCarthy Group, a South African holding company for a large number of vehicle dealerships.

In the first eight months of this year, VW sales slid 36.6 percent from a year earlier, and the domestically produced Rabbit, the backbone of VW's North American

McCarthy generated revenue of about \$600 million last year, up 50 percent from the previous year.

At McCarthy, Mr. Phillips' highest priority has been to improve communications within the company. He has instigated an annual meeting of about 50 managers during which each details his contribution. He has also set up a more formal reporting system, insisting on frequent reviews of divisional performance.

In the process, Mr. Phillips has gained a reputation as a disciplinarian. Dudley Saville, McCarthy's financial director, said that Mr. Phillips "made it clear from the beginning that he wouldn't take any nonsense."

Mr. Phillips says, "I look for reasonably ambitious but not unrealistic goals — but not in an human way." He concedes that he is inclined to demand too much information at too many meetings and to trust himself more than his

subordinates. But he adds, "I would hope that my career has shown that I haven't lost the big picture because I need to get involved in detail."

Daewoo Corporation

Eraring Power Company of New





## **International Bond Prices – Week of Sept. 30**

provided by White Weld Securities, London, Tel.: 623 1277; a Division of Financiers Credit Suisse - First Boston

Security	% Mat	Middle			Yield		Amt	Security	% Mat	Middle			Yield								
		Price	Mat	Ave Life	Curr					Price	Mat	Ave Life	Curr								
<b>(Continued from Page 14)</b>																					
B F.C.E.	8 1/4	34 Jul	99 1/2	8.94	8.47	8.27	dm 75	Sandvik	7 1/2	18 Feb	90 1/2	6.26	5.49	7.45							
B F.C.E.	7 3/4	30 Jun	91	8.49	7.99		dm 100	Stockholm County Govt	5 3/4	18 Apr	91	10.15	10.15								
B F.C.E.	7	16 Feb	98 1/2	8.94	7.91		dm 100	Svenska Cellulosa Ab	7 1/4	16 Feb	98 1/4	8.41	7.47	7.49							
B F.C.E.	5 5/4	18 Jun	91 1/2	8.47	8.04	8.04	dm 100	Sveriges Invest.Bank	8 1/2	13 Jun	103	6.44	5.47								
B F.C.E.	5 1/4	26 Aug	141 1/2	8.47	8.11	8.11	dm 100	Sveriges Invest.Bank	6 3/4	13 Mar	77	7.56	6.14								
B F.C.E.	7	26 Aug	141 1/2	8.47	8.11	8.11	dm 100	Sveriges Invest.Bank	8 1/2	18 Mar	99 3/4	8.44	7.53	7.67							
Caisse Centr.Ceas.Eco	8 1/2	26 Apr	99 1/2	8.94	8.54	8.54	dm 100	Swedish Export Credit	9 1/2	12 Sep	99 3/4	9.56	9.52								
Caisse Centr.Ceas.Eco	8 1/2	18 Jul	94 1/4	8.73	8.74	8.74	dm 100	Swedish Export Credit	9 1/2	12 Oct	99 1/2	9.56	9.52								
Caisse Centr.Ceas.Eco	7	18 Apr	98 1/4	8.15	7.43	7.43	dm 100	Swedish Export Credit	10 1/4	71 Nov	102	7.91	7.91								
Colas Net.Autoroutes	6 1/2	16 Mar	91	8.21	8.11	8.11	dm 100	Swedish State Company	9 1/2	18 Dec	94 3/4	9.48	11.05								
Colas Net.Telcom	7 1/4	10 Apr	99 3/4	7.72	7.27	7.27	<b>SWITZERLAND</b>														
Colas Net.Telcom	6 1/2	10 Nov	97	7.38	4.85	4.85	dm 100	Albatross Intern.	8 1/4	18 Aug	96 3/4	8.56	8.56	8.22							
Colas Net.Telcom	8 1/2	17 Oct	100	8.49	8.49	8.49	dm 100	Barclays Overseas Inv	6 3/4	18 May	91 1/4	8.43									
Colas Net.Telcom	6 1/4	17 Mar	91 3/4	8.21	8.11	8.11	dm 100	Barclays Overseas Inv	8 3/4	14 Jun	91 1/4	8.25									
Colas Net.Telcom	9 1/2	8 Jun	101 3/4	7.92	7.27	7.27	dm 100	Bearcat	8 1/2	18 Jun	91 1/4	8.25									
Cit Franc.Patentes	4 1/2	16 Jul	94 1/4	8.21	7.27	7.27	dm 100	Bowater Int'l Fin	5 1/2	18 Jun	94	7.31									
Cit Franc.Patentes	8 1/2	16 Jul	94 1/4	8.21	7.27	7.27	dm 100	Burman Oil Co.Ltd.	5 1/2	26 Nov	91 1/2	8.65	8.65								
Credit Foncier France	2 1/2	24 Jul	94	8.04	8.04	8.04	dm 100	Courtaulds Int'l Fin.	4 1/2	17 Jul	91 1/2	7.91	7.91								
Credit National	6 1/2	10 Oct	91 1/2	8.10	8.11	8.11	dm 100	Grand Metrop Finance	5 1/2	18 Aug	91	7.19	6.61	7.14							
Deut.Rens.Ports	4 1/2	26 Apr	97 1/2	8.08	8.08	8.08	dm 100	Guest Keen Neff Netheld	5 1/2	18 May	91 3/4	8.44									
Electricite De France	5 1/4	18 Nov	94	8.12	8.49	8.49	dm 100	Ici Int'l Fin	7 1/2	18 Dec	92 1/2	8.21	8.21								
Electricite De France	5 7/8	12 Sep	94 3/4	8.91	8.90	8.90	dm 100	Ici Int'l Fin	6 3/4	18 Dec	92 1/2	8.25									
Francetele	7 1/2	17 Oct	98	8.22	7.28	7.28	dm 100	Intl.Commercial Bank	4 3/4	17 Jun	94 1/4	7.93	7.93								
Rentgen	10 3/4	16 Jul	102 1/2	7.93	7.27	7.27	dm 100	Mahomed Estate 7.75%	6 3/4	10 Aug	92 1/2	10.05	11.51	7.71							
Smic	4 1/2	17 Oct	78	8.00	8.00	8.00	dm 100	Metrodial Estate	7	18 May	94 1/4	9.06	9.06								
Smic	5 5/8	22 May	98 1/2	8.65	8.74	8.74	dm 100	Midland Int'l Fin	5 1/2	10 Oct	91 3/4	8.54									
Stie Develop Rev Sdr	7 1/2	18 Apr	98 1/4	8.59	9.08	9.08	dm 100	Nlly/Westminster Bank	8 1/2	18 Oct	91 1/2	8.23	8.24								
<b>GERMANY</b>																					
Daimler-Benz Fin.Hold	5	25 Nov	101 1/4	7.53	7.15	7.15	dm 125	North-Westminster	11	11 Oct	105 1/2	7.57									
Kloeckner-Humboldt	6 3/4	17 May	97	7.27	4.88	4.88	dm 100	North-Westminster	9 1/2	22 Nov	102 1/2	8.23	8.23								
<b>NOLLAND</b>																					
Akzo Nv	9	19 May	100 1/4	8.94	8.94	8.94	dm 100	South Commerical Bank	7	18 Jan	98 1/2	8.17	8.17								
Eduki Nv	5 1/2	16 Jun	94 1/4	11.15	11.21	11.21	dm 100	South Commerical Bank	4 1/2	18 Jan	98 1/4	8.18									
Eduki Nv	7 3/4	18 Aug	93	10.25	10.14	10.14	dm 100	Standard Chartered Bk	4 1/2	18 Jan	98 1/4	8.18									
Naarder Gospodar	5 1/2	16 Dec	92 1/2	7.27	7.27	7.27	dm 100	Trafalgar House Fin.	5 1/2	18 Jan	98 1/4	8.18									
Philips Glasforsmaren	9 3/4	26 Dec	102 1/2	8.02	8.02	8.02	dm 100	Standard Chartered Bk	4 1/2	18 Oct	98 1/4	8.18									
Shell Int'l Financ	6 1/2	17 Apr	98 1/4	8.82	7.03	4.58	dm 100	Trafalgar House Fin.	4 1/2	18 Oct	98 1/4	8.18									
Shell Int'l Financ	4 3/4	26 Feb	98 1/4	7.98	7.08	7.08	dm 100	United States America	5 1/2	18 Jan	98 1/4	8.18									
Unilever Nv	5 1/2	17 May	100 3/4	7.81	7.01	7.19	dm 100	Bank Of America	5 1/2	18 Jan	98 1/4	8.18									
<b>ICELAND</b>																					
Iceland	7 1/4	14 May	99	7.92	7.15	7.22	dm 100	Bankers Trust	5 1/2	18 Jan	98 1/4	8.18									
Iceland	7 3/4	13 Apr	94 3/4	5.50	10.03	8.78	dm 100	Bogart Salomon Oversee	5 1/2	18 Jan	98 1/4	8.18									
Iceland	9 1/4	12 Jun	94 1/2	9.81	9.59		dm 100	Chrysler Overseas	5 1/2	18 Jan	98 1/4	10.18	11.40								
<b>INTERNAT INSTITUTIONS</b>																					
Aston Developm Bank	7	18 Sep	99 3/4	7.15	7.15	7.15	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Aston Developm Bank	7	18 Apr	97 1/2	8.12	7.18	7.18	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Aston Developm Bank	5 1/2	18 May	98 1/2	8.12	7.18	7.18	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Aston Developm Bank	7	18 Jun	91 1/4	8.09	7.95	7.95	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Aston Developm Bank	10 3/4	17 Oct	103 3/4	8.60	18.17	18.17	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Aston Developm Bank	10	18 May	98 1/2	8.14	8.03	8.03	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Aston Developm Bank	8 3/8	17 Nov	94 1/4	7.48	8.05	8.05	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Aston Developm Bank	70	11 Apr	92	7.44	7.40	7.40	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Aston Developm Bank	9 1/2	12 Apr	91 1/2	7.53	7.30	7.30	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Aston Developm Bank	9 1/2	12 Jun	91 1/2	7.53	7.30	7.30	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Aston Developm Bank	10 3/4	17 Dec	100 1/4	8.85	8.96	8.96	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Inter-American Dev Bk	5 1/2	26 Sep	97 1/4	7.29	7.40	7.40	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Inter-American Dev Bk	7	18 Jun	93 1/4	7.29	7.44	7.44	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Inter-American Dev Bk	6 3/4	17 Nov	97 3/4	7.28	7.44	7.44	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Inter-American Dev Bk	4 1/4	18 Jun	99 1/4	7.29	7.40	7.40	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Inter-American Dev Bk	10 3/4	17 Dec	101 1/4	8.29	8.01	8.01	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
Mordec Investment Bk	4 1/4	18 Jun	98 1/2	8.29	8.91	8.91	dm 100	Citibank N.A.	5 1/2	18 Jan	101 1/2	7.57									
World Bank	8	12 Dec	92 1/2	8.21	8.03	8.03	dm 40	Weiss Forsge Int'l Cu/w	4 1/2	18 Nov	98	6.85	8.96	6.85							
World Bank	6 3/4	12 Feb	91 1/2	8.27	4.76	4.76	dm 40	Weiss Forsge Int'l Cu/w	4 1/2	18 Nov	98	6.85	8.96	6.85							
World Bank	7 1/2	12 May	94 1/2	7.39	7.34	7.34	dm 40	Weiss Forsge Int'l Cu/w	4 1/2	18 Nov	98	6.85	8.96	6.85							

## CONVERTIBLE BONDS

Amt	Security	Middle Price	Conv. Period	Conv. Pr. per \$1k	Conv. Conv. Prem. S/c
\$28	Aug Ab	102	Oct 95		
\$20	Aug Ab	102	Nov 95	4.58	2.86
\$20	Aug Ab	102	Jan 96	2.86	2.86
\$70	Alco 28.22	105	12/15/96		
\$60	4 3/4% 1999 Jan	104	12/15/96	18.13	7.51
\$60	Alcokeaus Capital 17.05	104	12/15/96	18.13	7.51
\$60	Aug Ab	102	Jan 96	2.86	2.86
\$60	Alcokeaus Capital 17.05	104	12/15/96	18.13	7.51

CONVERTIBLE BONDS

**HIGHEST CURRENT YIELDS**  
On convertibles having a conversion

## **Over-the-Counter**

Sales in 100s High Low Last Chg% Net										Sales in 100s High Low Last Chg% Net					
Sales in 100s High Low Last Chg% Net										Sales in 100s High Low Last Chg% Net					
Barton S	597	6	5	546	-14					CabellLab	427	252	252	252	252
BartnA 20*	181	146	126	159	+4					CocoMilk	548	71%	27%	29%	+7%
BartnB 20	1517	164	136	144	+12				Cover	526	82%	76%	76%	+4%	
BartnC 20	540	574	512	512					Coperic	396	11%	10%	11%	+5%	
BartnD 20	833	384	294	303	+7				Copern	473	31%	24%	24%	+5%	
BartnE 20	1242	206	144	196	+14				Cohen	473	7%	17	17	+10%	
BartnF 20	19	104	96	104					Colbras	413	7%	8%	10%	+10%	
BartnG 20	157	124	124	124					ColABA	24	12%	12%	12%		
BartnH 20	24	114	11	114	+12				ColABA	247	22%	12%	12%	+10%	
BartnI 20	59	56	54	54					ColABA	247	22%	12%	12%	+10%	
BartnJ 20	125	514	511	511	+14				ColABA	247	22%	12%	12%	+10%	
BartnK 20	114	576	511	511	+14				ColABA	247	22%	12%	12%	+10%	
BartnL 20	447	146	126	126					ColABA	247	22%	12%	12%	+10%	
BartnM 20	17	124	124	124					ColABA	247	22%	12%	12%	+10%	
BartnN 20	38	612	546	546					ColABA	247	22%	12%	12%	+10%	
BartnO 20	5	35%	35%	35%					ColABA	247	22%	12%	12%	+10%	
BartnP 20	407	214	21	23					ColABA	247	22%	12%	12%	+10%	
BartnQ 20	1316	7-16	5-16	5-16					ColABA	247	22%	12%	12%	+10%	
BartnR 20	120	126	126	126					ColABA	247	22%	12%	12%	+10%	
BartnS 20	114	79	79	79					ColABA	247	22%	12%	12%	+10%	
BartnT 20	2	500	500	500					ColABA	247	22%	12%	12%	+10%	
BartnU 20	1248	217	204	204					ColABA	247	22%	12%	12%	+10%	
BartnV 20	36	5	5	5					ColABA	247	22%	12%	12%	+10%	
BartnW 20	25	714	714	714					ColABA	247	22%	12%	12%	+10%	
BartnX 20	26	572	572	572					ColABA	247	22%	12%	12%	+10%	
BartnY 20	443	376	376	376					ColABA	247	22%	12%	12%	+10%	
BartnZ 20	546	45%	45%	45%					ColABA	247	22%	12%	12%	+10%	
BartnA 20	21	5	5	5					ColABA	247	22%	12%	12%	+10%	
BartnB 20	27	27	27	27					ColABA	247	22%	12%	12%	+10%	
BartnC 20	17	14	14	14					ColABA	247	22%	12%	12%	+10%	
BartnD 20	1245	204	194	194					ColABA	247	22%	12%	12%	+10%	
BartnE 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnF 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnG 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnH 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnI 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnJ 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnK 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnL 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnM 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnN 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnO 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnP 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnQ 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnR 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnS 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnT 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnU 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnV 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnW 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnX 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnY 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnZ 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnA 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnB 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnC 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnD 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnE 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnF 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnG 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnH 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnI 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnJ 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnK 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnL 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnM 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnN 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnO 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnP 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnQ 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnR 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnS 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnT 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnU 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnV 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnW 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnX 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnY 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnZ 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnA 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnB 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnC 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnD 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnE 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnF 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnG 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnH 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnI 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnJ 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnK 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnL 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnM 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnN 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnO 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnP 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnQ 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnR 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnS 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnT 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnU 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnV 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnW 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnX 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
BartnY 20	50	50	50	50					ColABA	247	22%	12%	12%	+10%	
Bartn															

**(Continued on Page 17)**

## **Chicago Exchange Options**

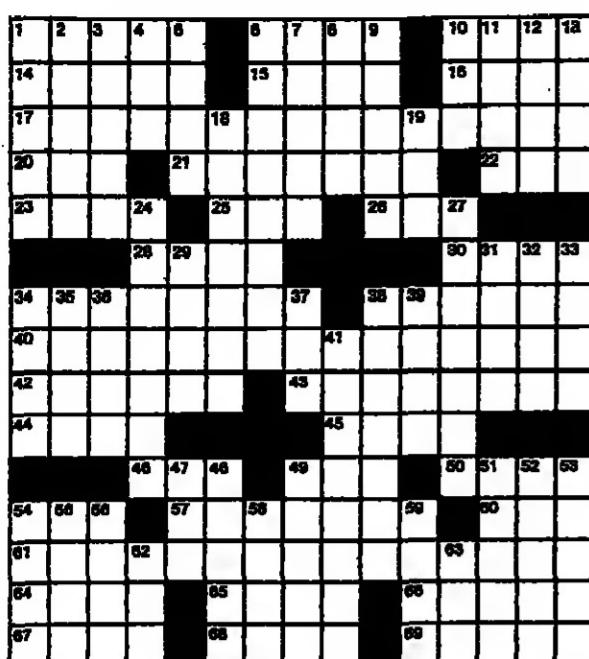
For the Week Ending Oct. 1, 1983

5 ~~Entire Inv 20.08~~  
7 1/4 % 1995 Jun 15 Jun 98 M 117.44-  
maturity M 132 2/3 5.16-

**Explanation of Symbols—**



## CROSSWORD



**ACROSS**

- Adult insect
- Storage place for a missile
- "Money—object"
- Appointed
- Strategic gulf
- L.O.U.
- Amendment I topic
- German article
- Crude zinc
- volente
- Gats
- One below it, j.g.
- Gumshoe
- Window section
- Prefix with sphere
- Poly of being involved
- Rose of—
- It starts: "We, the people..."
- The Season," 1927 play
- Violent storms
- Novelist Wister
- Dove's home
- W.W. II soldiers

**DOWN**

- Sunrise
- Singer Lanza
- Improve
- My goodness!
- At—(in dispute)
- Monotony
- False gods
- Political position
- Beginning
- Eliza crossed it
- Cast off
- Pleasant
- Galba's friend and foe
- Opportunity
- Opposite of post
- Condiment's function
- Throw
- Engrossed
- Globe
- Blemished
- Durocher
- Amendment XIV topic
- Not working
- Red color
- Discontinue
- Welchman
- Facilitated
- Attuned
- Surprise
- Singer Lanza
- Improve
- My goodness!
- At—(in dispute)
- Monotony
- False gods
- Political position
- Beginning
- Eliza crossed it
- Cast off
- Pleasant
- Galba's friend and foe
- Opportunity
- Opposite of post
- Condiment's function
- English river
- Site of Merchurst College
- Anchor
- Possadas
- Vapor: Comb. form
- Rube's quid of tobacco
- French head
- Geog. features
- Comedians' folls
- Distress
- Maddened
- A member of the U.N.
- Checks
- Fragment
- Mitigate
- "—porridge hot..."
- Pulled along
- Of a type of poem
- Brusque
- Liberty symbol
- "We'll tak—o' kindness yet"
- Wharf
- Peevish mood
- Charge

## WEATHER

HIGH	LOW	HIGH	LOW
C F	C F	C F	C F
ALBANIA	19 42	14 41	Cloudy
ALGERIA	20 52	25 58	Cloudy
AMERICAN	17 42	12 34	MADRID
ANKARA	20 48	17 43	Cloudy
ATENES	22 52	17 43	Overcast
AUCKLAND	14 57	11 52	Showers
BELGRADE	33 57	27 79	Stormy
BERLIN	14 57	13 55	Overcast
BOSTON	20 48	8 46	MOSCOW
BRUSSELS	17 42	12 38	MARSHALIA
BUDAPEST	15 52	10 45	Overcast
Buenos Aires	14 57	11 52	MIAMI
CAIRO	22 72	17 59	Shower
CAPE TOWN	24 72	17 59	PEKING
CARACAS	24 72	17 59	PRAGUE
CHICAGO	24 72	17 59	REYKJAVIK
COPENHAGEN	16 41	12 54	RIO DE JANEIRO
COSTA DEL SOL	14 57	11 52	ROTORUA
DAMASCUS	29 58	18 44	SAO PAULO
DAKAR	15 52	10 45	SEOUL
DURBAN	14 57	11 52	SHANGHAI
FLORENCE	20 48	11 52	SINGAPORE
FRANKFURT	14 57	11 52	STOCKHOLM
GENEVA	17 42	11 45	TOKYO
HANOI	14 57	11 52	TAIPEI
HONG KONG	33 57	27 77	TEL AVIV
HOUSTON	25 77	15 59	TOKYO
ISTANBUL	25 77	15 59	TUNIS
JERUSALEM	14 57	11 52	VIENNA
LAS PALMAS	21 25	17 59	WARSAW
LIMA	21 25	17 59	WASHINGTON
LISBON	31 70	14 57	ZURICH
LONDON	12 54	7 45	Overcast

Readings from the previous 24 hours.

## THE FRONT PAGE

The International Herald Tribune  
1887-1980

Reproductions of 129 front pages, many with Herald Tribune exclusive articles: the Titanic, the Dreyfus trial, First World War coverage edited at the front. Read about people: Queen Victoria, Lindbergh, Jack the Ripper, the Windsors, Stalin — a century of news headlines and the events that surrounded them. Hardcover, 28 x 38 cm., The Front Page is a distinctive personal or business gift.

## THE FRONT PAGE

U.S.\$32 or equivalent in any European currency - plus postage: in Europe, please add \$2.50 or equivalent for each copy. Outside Europe, please add \$8 or equivalent for each copy. Complete and return this coupon with your check or money order in the currency of your choice to: International Herald Tribune, Special Projects Department, 181 avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Please send me \_\_\_\_\_ copies of THE FRONT PAGE  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City and Code: \_\_\_\_\_  
Country: \_\_\_\_\_

## INTERNATIONAL HERALD TRIBUNE, MONDAY, OCTOBER 4, 1982

## PEANUTS



## B.C.



## BLONDIE



## BEETLE BAILEY



## ANDY CAPP



## WIZARD OF ID



## REX MORGAN



## DOONESBURY



## JUMBLE.

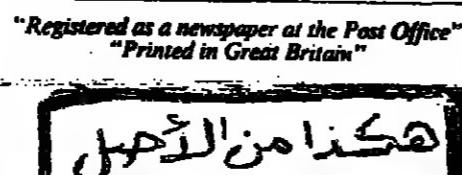
That Scrambled Word Game by Henri Arnold and Bob Lee



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:  (Answers tomorrow)

Saturday's Jumble: LYRIC STUNG INFANT UNFAIR  
Answer: What the orchard owner's life proved to be—VERY FRUITFUL



"Registered as a newspaper at the Post Office"

"Printed in Great Britain"

## BOOKS

JADE: A Novel of China

By Pat Barr. 597 pp. \$14.95.

St. Martin's, 175 Fifth Ave., New York, N.Y. 10010.

Reviewed by Reid Beddoe

A NOETHER historical novel about

A love among the ruins of the Celestial Empire. Someday Jonathan Spence or another sinologist will tell us what this literary escapism really means. Right now, it means "Jade: A Novel of China," by Pat Barr, a vast, many-storied pagoda of a book set in the second half of the 19th century, when the Middle Kingdom resembled a disturbed anthill and the gunboats of the Great Powers guaranteed the barbarians' privileges.

As with other recent novels about China ("Ta-Pan," "Noble House," "Dynasty" and "Spring Moon"), "Jade" is mainly about culture shock.

Plucky Alice Greenwood's missionary father is massacred in Tientsin in 1879. Kidnapped to distant Human province, she becomes an abused house servant in the service of the patriarch of a wealthy clan. After a time, the patriarch — Most Honorable or Dragon Brightness as he is called in the characteristic way of these novels — makes Alice, now called Uncut Jade, his concubine. The teen-age barbarian is instructed in the lovemaking of the pillow books, which she rather enjoys.

## Harrowing Adventures

When Dragon Brightness is away, other women in the household abuse Uncut Jade. She flees, loses her baby, and, after several harrowing adventures, arrives in the British colony of Hong Kong.

In her travels, Alice Uncut Jade has met Lin Fu-wei, a young revolutionary. They are attracted, a chemistry enhanced by the young Englishwoman's apparent command of Chinese in multiple dialects. However, Alice goes to live in Mukden with her long-lost mother, now remarried to another missionary, a sullen Bible-thumper. The stepfather makes sexual advances, and a shocked Alice flees to Port Arthur to live with an older brother, an official in the celebrated Imperial Chinese Customs Service, the international revenue agency administered by Sir Robert Hart.

Lin Fu-wei reappears, and the two young people fall head-over-heels in love. Unhappily, the older brother discovers them entwined in bed one

day and Uncut Jade has to pack up again, this time to Shanghai, the great commercial center of British trade.

We are at this point less than half-way through a very long novel. Ahead lie more torment as Alice Uncut Jade lives through the siege of Port Arthur (not the Russian defeat, but the Chinese one, in 1894) and the Boxer Rebellion. She eventually marries a wimpy English trader and is widowed, whereupon she sets up on her own in Peking as a trader in jade and objets d'art. She campaigns against the inidious practice of foot-binding and heavens! — translates into Chinese John Stuart Mill's treatise on the subjection of women. At the very end, Alice, now called Polished Jade to indicate the finishing of her education, sails for home, for England, where she has never been. There are hints she will return. Dare we hope for a sequel? Still ahead is all the tumult of 20th-century China.

At its best, "Jade" carries the reader along effortlessly. One certainly gets a sense of the sweep and variety of the old China, built up through a mosaic of snapshots: compradores and Manchus, Sikh policemen in the British concessions, the Yangtze river trade, a tycoon, an opium den. Although Barr has woven what is evidently a lot of scholarship into her text, if one hasn't read the poetry translations of Arthur Waley or White Byron elsewhere, there's no harm reading Tu Fu here.

The colours of autumn are fresh in the wind and rain . . . though the virgins have all gone their way to the yellow graves . . . in dark rooms ghost-greens are shining . . .

"Clunks along mechanically,"

At its worst, "Jade" clunks along mechanically, the dialogue filling in clunks of the historical background. "Tush, that's putting it too strongly, Mary. But certainly now that Pax Britannica has descended over all and even Afghanistan seems quiet, there's precious little excitement in the military life. I might as well go trading trinkets like you, Charles."

But Barr infuses her Western characters with contemporary values in a way that rings false. Her missionaries are all bigots or hapless dreamers. Her Chinese characters are lifeless caricatures.

And what can this Scottish missionary's daughter's lust for Chinese men possibly mean? I could have skipped some of the pleas for sexual toleration in order to learn what the Dowager Empress and her eunuchs were up to.

So, in the end, "Jade" disappoints despite its exotic background and adventurous plot. Of the many new China novels around, the best remain "Spring Moon" by Betty Bao Lord, which teems with cultural nuance and believable characters, and is filled with the idealism of a great people.

Reid Beddoe is on the staff of The Washington Post.

## BRIDGE

By Alan Truscott

ON the diagramed deal South had an opportunity to make a foxy play that had a chance of success simply because declarer was a novice.

At most tables East opened with one diamond, and one no-trump was a rather better choice for South than two clubs. The expert in the North seat had several options.

He could settle for a part-score by making a cautious pass or bidding two spades. He could try a Stayman two-club bid, but many partnerships would treat that bid as natural and an improved partnership would not be likely to have discussed the point. Three spades would be an overbid, so the best move toward game would be two no-trump, concealing the spade suit.

In three no-trump everything hinged on the opening lead. If West led his partner's diamond suit South had nine tricks, or even 10 if he took a greedy diamond finesse.

So East would have to decide whether South's play of the spade suit rather than the eight was low-level carelessness or high-level cunning.

Now East could play low and preserve the A-J of spades. If he did so South had nine tricks, or even 10 if he took a greedy diamond finesse.

So East would have to decide whether South's play of the spade suit rather than the eight was low-level carelessness or high-level cunning.

NORTH  
♦ 759  
V 1563  
♦ K199  
♦ Q7

EAST  
♦ K4  
V 75  
♦ A78  
♦ KJ632

SOUTH  
♦ K4  
V 75  
♦ A78  
♦ KJ632

WEST  
♦ 759  
V A984  
♦ 8462  
♦ 1018

North and South were vulnerable.

The bidding:

East South West North  
1 ♠ INT. Pass 2 INT. Pass  
Pass Pass Pass Pass

West led the spade seven.

## RADIO NEWSCASTS

## BBC WORLD SERVICE

Western Europe	11	2650	41	714	1629
45 1146	19	11640	31	9476	15218
49 521	14	11640	14	12778	15218
49 659	14	17895	49	6092	12098
49 720	13	2474	11	15978	11211
7 785	11	25548	31	17770	11211
21 916	25	17200	12	17778	11211</

## SPORTS

# France, U.S. to Meet in Davis Cup Final

By Jack Monet

Reviews

**PERE-EN-PROVENCE** — A sunless exhibition of clay-court tennis by Yannick Noah gave France a 2-2 victory over New Zealand on Sunday and a place in the Davis Cup final against the United States next month in Grenoble. The American team swept Australia, 5-0, in Perth.

Noah, 22, disposed of Russell Simpson, 6-2, 6-2, 6-2, in the final singles match after his teammate, Thierry Tulasne, had succumbed, 6-4, 6-2, 6-4, to Chris Lewis.

Noah, who was mobbed by fans after the match, said afterward, "I wanted to start out strong and never let him get into the match."

The New Zealand captain, Jeff Robson, paid tribute to the Cameroon-born star, saying: "Full credit to Noah. He played superbly. He was just too good."

The French, behind the legend of four musketeers Henri Cochet, Jean Borotra, René Lacoste and Jacques Brugnon, won the Davis Cup from 1928-32 but have not won it since Britain knocked them out the following year.

The 1982 squad will be one of the youngest French teams in a Davis Cup final, with an average age of 21.

**Americans Complete Sweep**

In Perth, Australia, the U.S. team completed its rout Sunday. The Americans, winners three times in the past four years and 27 times in all, allowed their long-time rival Australians no respite as Gene Mayer and John McEnroe swept to victory in the reverse singles.

"If Noah plays in Grenoble, the way he played here, on the same kind of medium-speed clay court, he could do very well. The main problem for the French is to win the doubles."

## Pitt Rallies for 16-13 Victory Over W. Virginia

Compiled by Our Staff From Dispatches

**PITTSBURGH** — Dan Marino threw a 10-yard touchdown pass to Julius Dawkins with 3:24 to play, and Eric Schubert kicked the extra point to give Pittsburgh's 16-13 victory Saturday over West Virginia. Pittsburgh had been trailing in the final quarter, 13-0.

The Panthers padded the lead with 41 seconds to play when defensive tackle Bill Maxie, before a sellout crowd of 57,250, forced Mountaineer quarterback Jeff Hostetter out of the end zone for a safety.

West Virginia's Paul Woodsie

was just short on a 52-yard field goal attempt with 2 seconds left that would have tied the game, 16-16.

The miss broke Woodsie's string of 15 straight field goals this season. West Virginia got the chance to go for the game-winning kick when Woodside recovered his own onside kick on the West Virginia 31.

Early in the final quarter, Pitt

had taken a 10-6 lead on field goals of 34 yards in the first quarter and 29 yards in the third. Then, 52 seconds into the fourth period, linebacker Darryl Tracy blocked a 3-yard TD run, and Schubert made the extra point to pull the Panthers (4-0) within 13-7 with 10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34



Compiled by Our Staff From Dispatches

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

3-yard TD run, and Schubert

made the extra point to pull the

Panthers (4-0) within 13-7 with

10:52 left.

The Mountaineers (3-1) had tak-

en a 10-6 lead on field goals of 34

yards in the first quarter and 29

yards in the third. Then, 52 sec-

onds into the fourth period, line-

backer Darryl Tracy blocked a

## LANGUAGE

**Toothsome Morsels**

By William Safire

**WASHINGTON** — When Elieen Ford, the modeling agent, selected a young Danish woman with a wide, bright smile to this year's most promising manquin, Newsweek wrote that the model agency "came up with good and toothsome" Renée monsoon." Those who decide that shall be the most desirable ice of the '80s lay stress on the mouth and teeth, which replaces the emphasis in the '70s on the bottom nose. "If you aren't toothsome — and don't even have a button nose," wrote reporter Cathleen McGuigan, "take heart: The '80s will get here eventually."

And none too soon for the word *toothsome*. Since the 16th century, *toothsome* has meant "palatable, pleasing to the taste"; a hundred ears after its coinage, a historian notes, "Your only News is not my *Toothsome* but it may prove *holesome*." The meaning has never been "toothy" or "characterized by showing prominent teeth."

But wait: Here is a letter to me from novelist Norman Mailer, complaining that reviewer Stefan Kanfer, in writing about Mailer's "Picnic and Pontifications," had quoted him out of context and thereby distorted his meaning. Mailer uses a masticating metaphor: "I hope the next reviewer finds picks for me doesn't fit the tip off my intent like *potholesome* Stein Kanfer."

Is Mailer, one of our foremost wordsmen, using *toothsome* when it means "toothy"? Or does he find something curiously delicious about his tormentor's prose? Or is the meaning of *toothsome* changed to mean both "toothy" and "tasty"?

Let us bite down hard on this one. Newsweek's writer was playing on words with her description of the tall, ravishing model with the wide smile as *toothsome*. She has a smile that flashes a set of the best choppers around, and she is

undoubtedly a tasty morsel. Such wordplay is fun so long as we do not let the play confuse us about the meaning. Maybe my friend Mailer intended the same play, but we must draw the line somewhere: *toothsome* does not mean "toothy," any more than *juvenile* means "full" or *noisome* means "noisy." Fight cavities; stop the decay of a good word.

WORDS that sound the same but have different meanings are called *homonyms*; words that sound similar and have similar but different meanings have been dubbed *confusibles* by Adrian Room.

The confusable that has been bugging Lemire Tobin Schattner of Pound Ridge, N.Y., is *sensual-sensuous*. Is there any difference, and is the difference worth trying to preserve?

Yes. Both words have to do with the senses, but have quite different meanings. *Sensual* deals with physical and sexual feelings; having your ear nibbled by a toothy Danish model is *sensual*. But that sensation, as we all know, is lewd, gross, carnal and not to be sought. On the upright and reverent John Milton, the poet, wanted a word to denote all the senses of the body that did not carry the pejorative baggage of *sensual*, and coined the more neutral *sensuous*. Samuel Coleridge reintroduced the word a couple of centuries later, with credit to Milton, for the same reason: He needed a word to describe a person whose senses were alive to imagination and other spiritual stimulants.

The way to remember the difference is that *sensual* is close to *sexual*, while *sensuous* is close to *sensitive*. The compliment is *sensuous*. Let's get down to the brass tacks of current synonymy. If you are a *toothsome* dish contemplating the seduction of some innocent lad, your feelings are *sensual*, if not all the way to sexy or *racy*; you are a *vulgar* and maybe a *libertine*, ridden with *stuffy* desires, stuffing your face with *avaricious* repasts and someone should lay a guilt trip on you. On the other hand, if you delight in beauty and form, and if the nicely-needy air of the forest inspires you to break out in song, you are *sensuous* and are likely to start bragging about your invincible vulnerability.

If that's not a difference worth defending, what?

New York Times Service

## U.S. Balloon Crash Kills 4

United Press International

**ALBUQUERQUE**, New Mexico — One of hundreds of hot-air balloons in a group lift-off caught fire and crashed Sunday, killing at least four persons and injuring several others, police said. The accident took place near the Rio Grande during festivities at the 14th Albuquerque International Balloon Fiesta.

Associated Press

**The Broadway Stake of Beth Henley**By Jay Sharrett  
*The Associated Press*

**N**EW YORK — Beth Henley of Jackson, Mississippi, set out to be an actress in Hollywood. That didn't quite work out, so she tried writing plays. That did work out. She now has two comedies on Broadway.

"The Wake of Jamey Foster" is her latest. It is scheduled to open on Oct. 14, joining her last-year hit, the Pulitzer Prize-winning "Crimes of the Heart."

There might have been a third, "The Miss Firecracker Contest," staged last season in Buffalo, New York, and London. But her agent advised against it, she says.

"Some people were interested in optioning it for New York, but he didn't think it was a good idea to bring in two plays this season. So I wait and maybe see if I can get it down next season."

Henley, 30, spoke of all this quietly, not bragging. She also says it's never entered her mind that she could turn into a latter-day version of Neil Simon, with hit comedies running loose everywhere.

She doesn't consider herself the down-home edition of that busy Yankee screever. "No," she says, sighing, "I don't write 'em that fast, I wish I did."

## The Mississippi Concession

Fast or slow, writers tend to write of people and places they know. Simon, a New Yorker, usually writes of life in New York and Los Angeles. Henley has the Mississippi small-town concession.

"Crimes," "Wake" and "Miss Firecracker" all occur in her native state. So does an as-yet unnamed comedy about a debutante.

Simon's comedies are big-city slick. Henley's rural ruminations on the other hand, sneak up on you out of essentially sad situations that are a little to the left of *com*.

Exhibit A, which brought her to national attention, is "Crimes," about three young sisters drawn together after one shoots her husband just because she "didn't like his looks."

Her new "Wake" concerns the wake and funeral of one Jamey Foster, who has become a deputy, thanks to a kick in the head — from a cow — shortly after abandoning his wife for another woman.



Associated Press

Playwright Henley: "So tragic — until people laugh at 'em."

Henley, a small woman with brown hair, brown eyes and a soft Southern accent, isn't sure if it's a curse or a blessing that she thinks funny.

But "when I write the plays, they're real serious to me," she says. "And they're painful. I always think they're so, so sad, and so tragic — until people laugh at em."

She first heard the laughter in her acting-student days at Southern Methodist University, where she wrote her first play, "Am I Blue." It was a one-act piece about a lonely college boy trying to lose his virginity in New Orleans.

"I was surprised when it was working as well as it was," she says of "Blue," revived with success last season at off-Broadway's Circle Rep. "I didn't think it was going to be that good."

She didn't think she was going to be a writer, either. She wanted to act, and went to Hollywood after SMU. Lean times both for her and her agent, the latter forced to make ends meet selling umbrellas in a department store.

The writing was revived. She struck gold with her first full-length play, "Crimes," acclaimed in its first production in 1979 in Louisville, again a year later off-Broadway and again in 1981 on Broadway.

The wherewithal from this enabled her to rent a small house in Los Angeles and buy a red convertible. She's since also rented a modest Hollywood apartment she used as an office, the house being too full of distractions and reasons to loaf.

"Well," Beth Henley says, playrighting. "It's the easiest money for me, writing things I'd want to write whether I got paid or not."

"To write something you don't want to write and put aside something you do — now that is what I call difficult."

Although she says she can't whip out plays the way Simon

seems to, her list of projects — many begun before the success of "Crimes" — does indicate she at least gives the typewriter a fair lashing.

She's been working on the film script of "Crimes"; ou that new play about the debutante, on her first original screenplay, "The Moonwatcher," which she describes as "a coming-of-age sort of thing" about a young woman in Petersburg, Illinois, and on revisions of "Wake."

Amid all this, she has somehow squeezed in time for acting, playing a bag lady last year in a new play in Los Angeles, "No Scratch." Next spring, she may do a play in Dallas, "Laying Off," by a friend of hers, Thurman Mose.

But writing is the main event now, and, she says, "for the first time in many years I actually have deadlines. Before, I'd just do things on my own, take five years. I've had to get more discipline, work more hours each day and do it consistently."

## Shawn TV

There's one thing she doesn't work on at all: TV. Many gifted young playwrights of comic mind get me stage success and promptly flee to sitcoms, a wealthy suburb of ABC, NBC and CBS. Not her. She has no desire to foul a comedy series for any network.

That plays exceedingly well, she concedes, "but I don't have to do that now. I'm making enough money, maybe not what I'd make as a TV writer, but I'm making plenty doing what I want to."

She tried it once, she says, shuddering. On the strength of reviews for her "Crimes" in Louisville, Paramount hired her to write the script for a TV pilot show. "It was pretty miserable," she says. "But the money was great and I needed it."

Although tided over by TV, she says she won't return to that, even though it could be easy money, especially compared to the harsh possibility of overnight failure on Broadway.

"Well," Beth Henley says, playrighting. "It's the easiest money for me, writing things I'd want to write whether I got paid or not."

"To write something you don't want to write and put aside something you do — now that is what I call difficult."

Although she says she can't whip out plays the way Simon

## POSTCARD FROM ASUNCION

**Paraguay's 2d Tongue**By Bruce Handler  
*The Associated Press*

**A**SUNCION, Paraguay — In Paraguay, when a suitor wants to tell a señorita he loves her, he does not use the Spanish phrase, "te quiero." Instead he whispers "rejajahu," in Guarani, the romantic personal "secret language" of Latin America's only truly bilingual country.

After Paraguay became independent in the early 1800s, there were campaigns to discourage Guarani and make everybody speak Spanish, which was considered more "progressive." But these efforts fell by the wayside when Paraguay got involved in wars with its South American neighbors and used Guarani as a "code" its enemies couldn't understand.

**Mandatory in Schools**

Today, although Spanish is the nation's official language, there are constitutional guarantees to preserve Guarani. Guarani is a mandatory subject in schools. There are publications in it on radio and television. Newspapers in Asuncion, the capital, while printed in Spanish, sprinkle their pages with headlines, phrases and quotations in Guarani, to make stories more personal.

Gen. Alfredo Stroessner, who has been president of Paraguay for nearly 30 years, is proud that he speaks Guarani and often uses it at political rallies.

There is even a master's program in Guarani for serious students of the language, offered by the advanced language institute of the University of Asuncion.

And when you leave Paraguay, your hotel bill says first, "Terejo porate jha voi ete toquecha yes," then "Hasta la vista y bien viaje," and finally, "Goodbye and have a pleasant trip."

## OE2 Makes First Visit To Rhode Island Port

United Press International

**NEWPORT**, Rhode Island — The liner Queen Elizabeth 2 made its first visit to Newport over the weekend after a delay caused by the ship's duty in the Falkland Islands.

The Cunard Line flagship was en route to New York on the last leg of a seven-day cruise to and from Quebec. Cunard added Newport to the itinerary because of the city's growing reputation as a tourist center.

## HOLIDAYS &amp; TRAVEL

## PORTUGAL

## 7 DAYS INCLUSIVE TOURS

## FROM LONDON TO:

I.U.A.

**HALF BOARD:** *TUDOR HOTEL*, 201 East 4th St., New York City. In Fabriano, Est. 5000. Doubles from \$65. Tel: 041/30 11 77. 7283.

ESTATES &amp; CASCAIS

*COAST VIDA (OPORTO)*, 1127/2000. Doubles from \$65. Tel: 042/50 00 00. 7283.

ALGARVE

*MADEIRA*, 1127/2000. Doubles from \$65. Tel: 042/50 00 00. 7283.

Please Contact:

London Tel: 093 5873. Tel: 245463

EDUCATION

**FRENCH** quickly learn with guide book. Tel: 02 50 91 901.

PEN PALS

**JAPANESE** want to correspond with Americans who are fans of Peter, Paul & Mary. Write Mr. Tomohiko Ando, 2-11-12 Shimo, Kita-ku, Tokyo 115 Japan.

PAGE 17

FOR MORE

CLASSIFIEDS

## TRAVEL AGENT

## HOTELS RESTAURANTS NIGHT CLUBS SWITZERLAND

**LUCERNE — GRAND HOTEL EURON** Large price range. Every comfort. Tel: 041/30 11 77. 7283.

U.S.A.

**TUDOR HOTEL**, 201 East 4th St., New York City. In Fabriano, Est. 5000. Doubles from \$65. Tel: 041/30 11 77. 7283.

ESTOIA &amp; CASCAIS

*COSTA VIDA (OPORTO)*, 1127/2000. Doubles from \$65. Tel: 042/50 00 00. 7283.

ALGARVE

*MADEIRA*, 1127/2000. Doubles from \$65. Tel: 042/50 00 00. 7283.

Please Contact:

London Tel: 093 5873. Tel: 245463

EDUCATION

**FRENCH** quickly learn with guide book. Tel: 02 50 91 901.

PEN PALS

**JAPANESE** want to correspond with Americans who are fans of Peter, Paul & Mary. Write Mr. Tomohiko Ando, 2-11-12 Shimo, Kita-ku, Tokyo 115 Japan.

PAGE 17

FOR MORE

CLASSIFIEDS

## TRAVEL AGENT

## BMW

## SERIES 3-5-6-7

## 1983 models available at 1982 rates

**AUTOMOBILES CH. POZER** Tel: 075 74 01 64. Tel: 042/5025

For Immediate Delivery

**MERCEDES-BENZ**, 1000, Mercedes-Benz, 1000, 1200, 1300, 1400, 1500, 1600, 1700, 1800, 1900, 2000, 2100, 2200, 2300, 2400, 2500, 2600, 2700, 2800, 2900, 3000, 3100, 3200, 3300, 3400, 3500, 3600, 3700, 3800, 3900, 4000,